No 21 MAY 1992

NEW TIMES

PROPERTY OF THE LIBRARY
JUN 08 1992
University of North Carolina at Greensboro

INTERNATIONAL

THE BAN OF THE CPSU ON THE SCALES OF JUSTICE

The Consiitutional Court of Russia is to give a legal assesement of the President's decree

ISSN 0206-1473 ИНДЕКС 70622

NEW TIMES
INTERNATIONAL

WEEKLY

Advertisement rates

2nd cover (205x280mm), full-colour – $2,000

3d cover (205x280), full-colour – $2,000

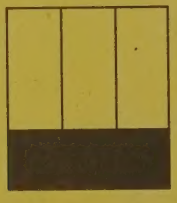
full-page (184x249), black-and-white – $1,500

4th cover (205x280), full-colour – $3,000

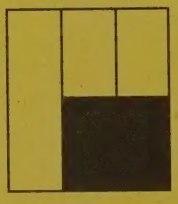
Be sure to order your advertisement campaign in advance

two thirds of a page (128x249), black-and-white – $1,000

bottom half page (125x184), black-and-white – $750



bottom page (64x184), black-and-white – $500



quarter page (128x128), black-and-white – $500

The ways you can place your ads in

NEW TIMES
INTERNATIONAL

Call us at 209-92-82, 209-76-52, 209-95-81 or contact us at Pushkinskaya Sq., GSP, Moscow 103782, USSR.
Our experts, designers, and photographers are at your service.

21/92 NEW TIMES MAY
INTERNATIONAL

POLITICS

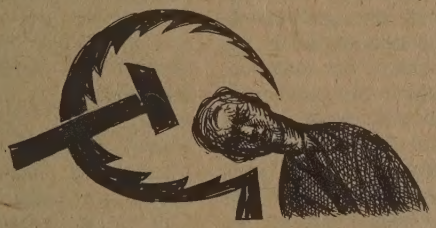
TRENDS
V.Kulistikov
USSR MOLECULES: BROWNIAN MOTION GROWS, BUT ATTEMPTS TO GLUE THEM TOGETHER DO NOT ABATE 3

COVER STORY
V.Sofyin
IN THE NAME OF THE LAW 4

TAJIKISTAN
R.Shukurov
A FRAGILE COMPROMISE 7

KARABAKH
A.Polyukhov
ANOTHER "ISRAEL" – IN THE CAUCASUS? 8

4



ARMY
D.Trenin, V.Makarenko
A BLACK BOX INSTEAD OF THE WHITE PAPER 10

OBSERVER'S VIEW
D.Volsky
A NEW ROUTE FOR MARCO POLO... 12

ECONOMICS

G.Hanin
THE SAME OLD STORY: FRAUDULENT FIGURES 13

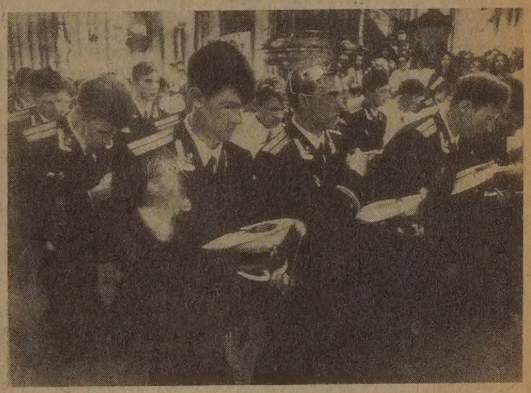
DOSSIER

BASIC PROVISIONS OF THE PROGRAMME OF STATE AND MUNICIPAL ENTERPRISES PRIVATIZATION IN RUSSIA IN 1992 16

OPINION
V.Larionov
BUSINESS DOES NOT KILL 20

SPACE
S.[illegible]dov
US OPPOSED TO INDIAN USE OF RUSSIAN MISSILE TECHNOLOGY 21

10



INTERNATIONAL
L.Mlechin
THE KURIL ISSUE REMAINS 22

HUMAN RIGHTS
A.Chudodeyev
HUNTING DOWN A COMPATRIOT 26

EXOTIC
D.Ledovsky
A DOG'S LIFE: START AND FINISH 30

22

PROFILE
Prince J.B.Mukhrani
CAR RACING KING TO BE THE KING OF GEORGIA? 32

LETTERS (2), **THIS WEEK** (9), **OUTLOOK** (19), **PEOPLE** (28)

Cover by Igor Shein

Who are they?

Who are they, Cossacks of the Don? A public organization or a military alternative to the army? I saw them on television, strutting about before the camera, with sumbachine guns in their hands. Where did they get the guns? If I put on riding breeches tomorrow, will I also have the right to carry arms as a possible scion of the Dnieper Cossacks?

Sergei Yasinsky
Chernigov Region,
Ukraine

Beset with common problems

Here, in the central part of Ukraine, we treat kindly the Russian people and the Russians who live beside us. But we are against your chauvinism. The year 1954 (when the Crimea was joined to Ukraine) is not the beginning of history, and the Crimea has been the land of the Crimean Tartars from time immemorial. Neither you nor we need the Black Sea Fleet. We are beset with common problems – hunger and inflation, high mortality and poverty, violence and crime. The fleet is not a remedy for these social diseases.

V. Papchuk
Khmelnitsk,
Ukraine

Further through Bosporus

Russia is not going to be an enemy of Turkey or Ukraine, or Mediterranean countries. But this does not at all mean that the Black Sea Fleet has lost its strategic importance and it should be reduced. The foreign-policy course in this area is only shaping. What will it be? It must be geared to the future system of international security, with NATO as its possible linchpin. The Russian leaders favour joining this bloc. This means that the problem of the straits will not arise.

The joint patrolling of the Fifth Squadron of the Black Sea Fleet and the Sixth US Fleet in the Mediterranean and the South Atlantic with the aim of stabilizing the situation in that explosive region can be part of this new policy. This is what happened during the war in the Persian Gulf. Thus, the strategic tasks of Russia on the whole and the Black Sea Fleet in particular depend on the foreign-policy course in that area. Most likely this policy will go beyond the Bosporus.

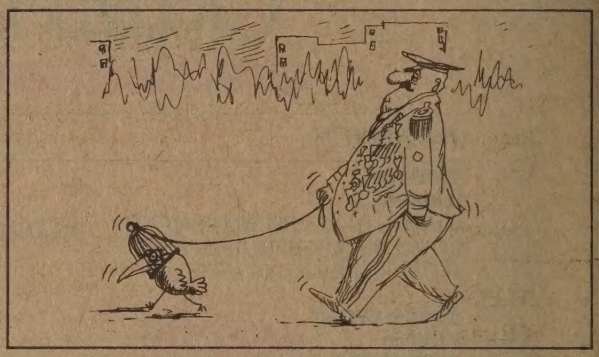
V. Yusim
Moscow

Law is above all

Some democrats, now holding responsible posts in government bodies, have inherited the worst vices of partocrats: corruption, incompetence and bureaucratism. And no less evil is that they discredit the idea of democracy. In our society, formerly characterized by arbitrary rule and lack of political culture, democracy is seen as all-permissiveness, moral nihilism. The mass media must now persistently, clearly and patiently shape a new democratic ideology. The people must be persuaded that democracy can defend itself by relying on the force of effective law.

B.Gilenson,
D. Sc. (Philology)
Moscow

THE WAY I SEE IT



Drawing by Victor Bogorad

The choice between the bad and the worst

Many pages of our history are now being revised. However, the view of some historical events remains unchanged in the public mind. For instance, the delay in the opening of the second front during the last war is still regarded as an act of great perfidy on the part of allied powers. But let us look at this problem from the standpoint of the allies who managed to avoid totalitarianism in their countries.

For them socialism, as it was built in our country, was no less loathsome than fascism. Was it a grave sin therefore to pit the two monstrous totalitarian system against each other?

Mikhail Main
Yekaterinburg

"Myth about Zionism"

The article by D. Zgersky entitled "The Legends of Zionism" (No. 40, 1991), appears to be such blatant propaganda and misrepresentations that are unworthy of your generally informative and democratically oriented magazine. D. Zgersky misinforms the readers as to the origins of Zionism. The essertion that "some lands have belonged to the Jewish nation from time immemorial" is false. The concept of a Jew has never been delineated clearly. Essentially, the present-day version is based on religious and cultural grounds. Clearly, the Ashkenasic Jews which are the source of Zionism, are not able to trace their biological origins to the traditional biblical lands. Given the promotion which your correspondents give to the Zionist cause, one suspects that you are looking for the Zionist dollar. In this you are no different than the venal politicians who populate the halls of the US Congress and the executive branch. Notable exceptions are our Rev. Jesse Jackson and former US senators Fullbright and Abrouzek. Perhaps you are taking your cues from our esteemed Zionist Ambassador to the CIS, Mr Robert Straus.

Harold Schick
USA

NEW TIMES
INTERNATIONAL

Publisher
The New Times Publishing House
Joint-Stock Company

President
Sergei DUBOV

Editor-in-Chief of Russian edition
Alexander PUMPYANSKY

Editor-in-Chief of international editions
Sergei GOLYAKOV

Managing Editor
Gennady ARIEVICH

Editor-in-Chief of English edition
Victor KAMOTSKY

Art Editor
Alexei SMIRNOV

Address:
Pushkin Square,
Moscow, GSP, 103782, Russia
Telephones: 229-88-72,
209-07-67
Telex: 411164a newt SU,
411164b newt SU
Telefax: 200-42-23, 200-41-92

Printed by
Moskovskaya Pravda Press
7, Ulitsa 1905 Goda, Moscow

order No.1608

© New Times
Publishing House

USSR molecules: Brownian motion grows, but attempts to glue them together do not abate

The first crack to appear in Russo-American relationships has had its repercussions within CIS. If Russia in spite of State Department demands, will nevertheless want to furnish India with cryogenic rocket engine technology, it is quite likely that President of Kazakhstan Nursultan Nazarbayev will, after his US visit, contemplate obstructing Russia's entire international space programme, which is still based on the former Kazakh cosmodrome of Tyuryukan. All the molecules of the erstwhile USSR, big or small, follow their own paths, and it is becoming harder and harder to control their trajectories from one common centre, whatever it might be called.

By May 15, date of the CIS summit in Tashkent, one thought the presidents' "club" could furnish this pivot. However, not all the presidents came. Some, like Ukrainian President Leonid Kravchyuk, disagreed with what was offered, namely to centre on a collective security agreement, in which Marshal Yevgeny Shaposhnikov, the great Soviet Army's last marshal, had conceded everything conceivable to those feelings of national dignity the newly-independent states show. They cherish every attribute of independence, from the coat of arms on a rather unusual flag to a regiment marching in uniforms of its own to a national tune. Though the delegates from Russia and the five Moslem republics were ready to sign the agreement, Belarus leader, Stanislav Shushkevich, suddenly stepped down, claiming that it conflicted with the constitution of his republic. The Marshal is rumoured to have given the experts a stiff dressing down for overlooking that point. But the trouble is that these experts are not used to the need to take even trifle matters into consideration in a country that had been so very simple before as concerned politics and law.

Yet, for overcoming the past, the collective security treaty is quite effective. It presents an approach to the heaviest weights in the still full-up Soviet gym, implying independent defence systems circumscribed by itnernational law that may operate by themselves or be organized into one common defensive dimension. The collective security agreement could have furnished that beginning, at least some guarantee of such independence. However, it has not become universal, which means that the republics on the periphery must need tolerate the presence within their territories of such prehistoric monsters, as the well-equipped and organized formations of the splinters of an army that still abide by the laws of a vanished state and therefore obey a shadow authority.

This machinery is already operating against the still weak post-Soviet regimes on the periphery. Thus, in Moldova the positions the army units deployed there hold imparts an invincibility to the separatism of the local Dniester region's "Biafra." In Tajikistan the army interfered of its own accord in the conflict between the neo-Communists and Islamists apparently foisting upon them a compromise neither side desired. In Azerbaijan, behind the phantasmagoric 24-hour return of ex-president Ayaz Mutalibov, one discerns the same undercurrent, with somebody having promised the backing from the Red Army which behind the pseudonym of CIS troops continues to coil events into one lump towards the centre, by already tried and tested means.

However, the splinters of the one-time great army cannot exist on their own. They are to be observed in the person, for instance, of those officers who declined to dissolve the officer assembly of the former USSR after the establishment of the Russian Army and who still seek a great country. Russia's leaders are currently faced with the very unpleasant dilemma of either falling out with the international community that nowadays will scarcely accept such "unifying efforts," or of encountering potentially dangerous adversaries from whose subversion only the largest republic is now safe.

Hence, the Tashkent flop may have far-reaching consequences. Tajikistan is slowly slithering into the Middle East, dragging the other Central Asian states along in its wake. Azerbaijan leans towards the Near East. Moldova is imitating a Balkan something. Hence, Russia may be fated to experience Argentina's lot, with a disillusioned military and indifferent poor.

Vladimir Kulistikov

In the name of the law

The Russian Constitutional Court is to return its verdict as regards the legality of President Yeltsin's decrees banning the CPSU and the Russian Communist Party. Many would like to know how this matter will be settled. Feelings differ though

The question was raised in the Constitutional Court because several Russian MPs wanted to find out whether the Russian President's edict of November 6, 1991, as "To the Activities of the CPSU and the Russian Communist Party," as well as his earlier decrees – of August 23, 1991, "To Suspend the Activities of the Russian Federation Communist Party," and of August 25, 1991, concerned with the properties of these two parties – were constitutional or not.

It would seem that party lawyers have made thorough preparations for the impending examination. Thus, their appeal to the country's highest judicial body is signed by four lawyers with the academic degrees of doctor, plus another one with the academic decree of candidate, let alone college-trained specialists in the chemical, technical and other sciences. Vladimir Ivashko, deputy General Secretary of the CPSU Central Committee, and Valentin Kuptsov, First Secretary of the CC of the Russian Communist Party will represent the CPSU at the hearings. Note that the appellation of "former" in front of each of these titles is not to be found in the appeal, which, presumably, is by no means fortuitous.

The political intuition and cool calculations of the appealing side must be given their due. Indeed, Russia is going through a bad time at this current moment, with the economic reform running into obstacles. Nor is the establishment of Russian statehood without its difficulties while ethnic relationships are also in something of a mess. Evidently that is why the "has beens" deemed the time appropriate to probe the firmness of Russia's authorities and, apparently, opportunities for getting their own back, at least partly.

Note that this appeal is far from the only symptom of the drastically intensified activity of CPSU supporters since their anabiosis over the past autumn and winter. Only recently Communist leaders held a meeting outside Moscow and some people there even thought of announcing it an All-Union Party Conference. At this powwow there was talk of electing an emergency CPSU Central Committee and of fixing a date for the 29th congress. Even an organizing committee to that end was set up. Though the mass media have reported the establishment of underground district party committees throughout Russia, the authenticity of such items is questioned by some democratic newspapers and magazines. Be that as it may, the danger that the "has beens" will again seek to capitalize on the current situation and actively militate for the "bright future" is still there. Indeed, it would be politically naive to minimize the danger on the excuse that only a "stable five percent" of the Russian population support the Communists. Developments may take such a turn that more segments of the population, prodded thereto by the hardships of day-to-day life, will gravitate towards the red illusions.

The dead clutch at the living

It must be noted that the path onto which the neo-Bolsheviks crave to entice the population of Russia leads nowhere. The "phantom of communism," embodied in a totalitarian system doomed people to a miserable life unworthy of any human being and infected them with the syndrom of total fear and scepticism. The communist idea is bankrupt. The society that its adepts created has proved unviable and conflicted with the human spirit. The desolation to be witnessed in this country currently presents a most stern indictment against communism, which promised the disinherited an earthly paradise, but which actually dumped

The Russian Constitutional Court

Drawing by Igor Shein

them into inferno. This is reminiscent of the dead who still clutch at the living. Attempts by yesterday's rulers to claim that responsible for Russia's present trials are the men trying to refloat the Russian ship of state, get going a radical economic reform, infuse the peasantry with new life and stimulate honest entrepreneurship, are definitely unseemly, as civilized humanity has long since realized that that is the only way leading to prosperity. It will not be that simple to set foot on that road after the decades of groping in the communist roadless dark. However, this is the one and only alternative. On the other hand, neo-Bolshevism's blind who feel their way forwards by leaning on the staff of the red flag will only sidetrack the impoverished nation onto a trail that leads into a pit, as the Bible story notes.

Cross talk

Without wishing on any account to anticipate how the Constitutional Court hearings will go, or all the more, the ruling it may reach, after a detailed acquaintance with the "suit" one would like to note that despite all its pettifoggery it is by no means conclusive and convincing. Indeed, its authors manifestly seek to dodge the substance of President Yeltsin's decrees and think it unnecessary to dispute the arguments adduced to substantiate the ban on the two parties. They claim that the CPSU, along with its componential Russian Communist Party, is a "political party"; however, President Yeltsin's edict of November 6, 1991, refutes that definition, showing that it holds no water whatever.

As that document stated, "The CPSU comprised a very special machinery for forming and implementing political power by fusing with state structures or by directly subordinating these structures to it." It further notes that "the CPSU's leading structures implemented a dictatorship of their own and created at the state expense the properties required to exert unlimited power."

Currently an increasing spate of documents from the CPSU Central Committee archives have been made public. They incontrovertibly demonstrate that the Russian President had been right to put the question thus. After all, for decades on end the Central Committee and its Politburo considered and decided all fundamental **matters of state.** This could be the development of a new type of weaponry, a major foreign policy move, the mounting of an ideological campaign, the school reform, or anything else. The Politburo's decisions

ОТДЕЛ ЦК КПСС ПО РАБОТЕ С ЗАГРАНИЧНЫМИ КАДРАМИ И ВЫЕЗДАМ ЗА ГРАНИЦУ

Заведующий отделом	Червоненко С. В.	8224	62-24	84-36	206-36-75
Первый зам. зав. отделом	Цуканов Г. Э.	8431	64-31	64-67	206-23-92
Зам. зав. отделом	Долгин В. Г.		60-07	84-92	206-58-32
Зам. зав. отделом	Морозов В. Ф.		63-25	64-54	206-58-30
Зам. зав. отделом	Тетерин А. В.		63-05	64-71	206-37-06
Зав. секретариатом	Прокурнов В. М.		67-60	84-87	206-59-87
Зав. секторами					
Кадров загранучреждений в капиталистических странах	Митин Н. А.		54-51	83-54	206-58-54
Кадров загранучреждений в социалистических странах	Горбунов О. Л.		39-06	83-43	206-59-43
Кадров загранучреждений в странах Африки	Чикваидзе А. Д.		34-31	82-79	206-58-56
Кадров загранучреждений в странах Азии	Шемятенков В. Г.		37-47	68-26	206-28-26
Загранкомандировок по научно-техническому сотрудничеству	Заморин Л. С.		45-82	74-67	206-59-67
Загранкомандировок по внешнеэкономическому сотрудничеству	Казаков Г. В.		59-86	89-50	206-58-04
Загранкомандировок по внешнеторговому сотрудничеству	Фенопетов Г. С.		21-93	79-16	206-58-14
Загранкомандировок по культурному сотрудничеству	Шлеенко А. А.		28-21	80-06	206-58-24
Загранкомандировок по общественным и спортивным связям	Громовик Г. Г.		59-87	62-52	206-58-40

This is an excerpt from a telephone directory of the CPSU CC apparat. It shows the structure of the CPSU CC department for Soviet personnel working abroad and for foreign trips. The department was headed by a director and his four assistants. The practical work was carried out in nine sectors: for the personnel of missions in capitalist countries, those in socialist countries, in Asian and African countries, in addition to sectors for foreign trips connected with science and technology, foreign economic, foreign trade and cultural cooperation as well as for public and sport relations.

This department was popularly called "purgatory." The former KGB assisted it in "sorting out" aspirants for jobs abroad mainly using political criteria. However, personal circumstances also mattered. As the directory demonstrates, meticulously "screened" were even those who were sent abroad through the channels of sport exchanges. Applicants for work in missions in foreign countries were under special control. Additionally, the department's "responsible staffers" regularly visited Soviet missions abroad to check the "moral and political condition" of their personnel. Not infrequently such visits resulted in recalling "dubious characters" back home.

were final, and were not subject to question or discussion. They had to be unswervingly implemented. The Politburo decided the lot not only of brilliant individuals, such as Andrei Sakharov, but of entire countries and nations, such as Czechoslovakia and Afghanistan. To all practical intents, the Party bosses stood outside the law. As the celebrated 19th century classic of Russian poetry, Mikhail Lermontov, put it, "law and truth had to stay silent" in respect of these men. The CPSU wrecked the lives not only of people outside the Party, but also of its members, including those even in the top echelons, whenever the Party bosses decided that these people were useless. It has got to be said that the CPSU Central Committee continued this practice right up to the very last hour of its undivided sway. Indeed, the expulsion of the intransigent became the mark and constantly operating function of the Party apparat. Small wonder the top echelon of the Party apparat was cynically dubbed a "can of spiders."

It has now come to our knowledge that the KGB had been instructed to carry out the directives of the CPSU or rather of its bosses, the Secretariat, the Politburo, and the Central Committee apparat. Military statutes also indicated that the commanding officer had to coordinate actions with the Party committees. In short, there was not a single aspect of life that would have not been supervised by the Party bosses, that would not have been confined to the Party's all-seeing eye. The very structure of the Central Committee apparat reflected this state of affairs, with subdivisions and sections that busied themselves with everything, from physical culture and sport (which was the charge of one of the sectors in the propaganda department), to fruit and vegetables (one of the sectors in the agricultural department). In short, nothing could evade the Party's control!

It is the CPSU that is to be "credited" for having built up and operated in Russia a totalitarian state whose meaning and purpose was to control everything, to suppress the freedom and dignity of the citizenry by force and terror, to shatter the very mainstays of the people's traditional time-honoured way of life. The CPSU was no party in the universally accepted, civilized sense. It was no socio-political organization. Its every dimension was an anti-popular structure for ruling the state under cover of being a party, actually a "pseudo-party." The CPSU exploited its name in the pursuit of its own aims that were so far removed from the interests of the people.

Whereas at some time at its beginnings, the CPSU was still able to demonstrate political flexibility to some extent, and accept the new realities and heed the voice of the people, and to adapt to that, by 1991 it had irrevocably lost all that. By that year, it was hopelessly decrepit, completely politically sclerotic, and not subject to reanimation, as St. Petersburg's Mayor Anatoly Sobchak so rightly noted. It could only rot still further and hence was foredoomed.

The CPSU is hopelessly decrepit, completely politically sclerotic and not subject to reanimation

President Yeltsin's decrees were no chance caprice, no act of vengeance by triumphant democracy, no flight of the imagination. The decrees mirrored the overwhelming sentiments of the people, an attitude to the "vanguard of Soviet society" that they evolved through agony and suffering.

In their appeal, the CPSU's lawyers call for justice and humanity and say:

"Guarantees of the rights and freedoms of the citizenry and their true equality, the impermissibility of discrimination against citizens because of their political convictions comprise paramount principles ensuring the democratic character of Russian society's political system."

All very true. But when did the party itself count with these principles? Where were these "guarantees of the rights and freedoms of the citizenry" when the extra-judicial troikas, the committees of three, handed out sentences right and left? Where was that "impermissibility of the discrimination against citizens because of their political convictions" when dissidents were herded into the GULAG or psychiatric hospitals, if not simply shot out of hand? Where was that "true equality" when whole nations were deported? Do we have to add to this list?

Still, the time has come to gather, rather than scatter stones. The time has come to join together, not to tear apart, as Ecclesiastes notes. Alien to democratic society is the "eye for an eye" principle. The *Berufsverboten*, witch hunts, "reds under the bed," and "better dead than red" are out. The standard of democracy hinges on the degree of its tolerance towards dissidence, as otherwise we shall find ourselves up the creek. In the same manner as Chekhov squeezed the slave out of himself drop by drop, so must we all squeeze out of ourselves the "totalitarian man." That is painful, true, but it is still worse when people sham self-purification from totalitarianism and yet remain captive within the coils of slavery.

How topical, how pungent with respect to some of our leaders is what that fine Russian film maker Stanislav Govorukhin, who produced the soul-piercing *We can no longer live like that!*, said: "No, we have still not tasted of democracy. And our present leaders are no democrats. They are still the same old staunch Leninists. They have inherited from Lenin the main thesis – preparedness to always sacrifice their own people."

Hence the problem of overcoming the Communist legacy is actually much broader than the issue of whether the CPSU should exist or not or of whether President Yeltsin's decrees on that score are really in accord with the law.

However, today the Russian Constitutional Court is faced with the narrow problem of determining whether these decrees are right and correct in the eyes of Russia's Fundamental Law. That is all thus far. Hence, each Constitutional Court judge will decide the matter quite independently, answerable exclusively to the spirit and the letter of the Law.

Victor Sofyin

A fragile compromise

A coalition government is formed in Dushanbe. Will the compromise last long? The government and the opposition are on the alert

Tajikistan is the third member state of the Commonwealth, after Georgia and Azerbaijan, in which the fate of the lawfully elected president is decided at public rallies. True, as distinct from Gamsakhurdia and Mutalibov, whose victory was indisputable, Tajik President Nabiev won the election by a slim majority.

There is another no less important distinction. In Tajikistan there was no sudden eruption of a revolt. Rallies have virtually not ceased since last September, and the last and most intensive wave began in March.

The signing of a conciliation protocol by the President on May 7 was followed by the formation of a revolutionary council, Alliance of Popular Forces. The council, which consists of members of the opposition, set up a coalition govenment. Seeking to avoid civil war, the opposition agreed to an obvious compromise. Only 8 of 24 cabinet ministers are members of the opposition.

The victorious opposition consists of two main forces: the Islamic movement, represented by the Islamic Party of Revival (chairman Himmatzoda), and adherents of Turadjonzod, the formal head of the Tajik Moslems, and two secular parties – Rastokhez, virtually a club of humanitarian Tajik intellectuals (chairman Abdudjabbor) and the Democratic Party, led by Yusupov, which has a broad support among non-Tajiks, and also in rural areas.

The programmes of the three opposition parties have been formulated in a rather general way. The programmes of the Democratic Party and Rastokhez have a general democratic character, in the spirit of *perestroika*, so to speak, and the programme of the Islamic Party has a religious-democratic character, similar to the programmes of Christian Democratic parties in Europe. The two trends of the opposition agree, and it seems sincerely, that Tajikistan must remain a presidential republic, but without Communist predominance.

The anti-communism of the opposition has a utilitarian, pragmatic rather than ideological character. The essence of the political conflict can be determined as a clash between the pragmatism of the opposition and the evident utopianism of the government unable even to understand the depth of the present crisis in the republic.

Another feature dividing the opposed parties became apparent during the conflict. The former government continued to rely on the disastrous policy of emphasizing regional inner-ethnic differences (northerners, Pamiris, etc.) and instigating inter-ethnic discords. This was manifested in open and purposeful efforts to gain support among the Russian-speaking population, trying to persuade it, and not without success, that any other power will inevitably lead to national-fundamentalist dictatorship.

What is the nature of sub-ethnic, sometimes inaccurately called "clan" conflicts among the Tajiks, who are considered an ancient and civilized nation? These conflicts are engendered by the national-territorial division in Central Asia. As a result of the border changes conducted by Bolsheviks in the twenties, the Tajik people, which had taken shape as a single entity by the 9th century, experienced a considerable ethnic disintegration in the 20th century, having lost its historical centres Bukhara and Samarkand, now part of Uzbekistan. These centres enjoyed indisputable cultural authority, integrating multifarious regional Tajik culture. Since then the Tajiks have been engaged in internal disputes on what region has a civilizing priority.

After recent political changes, the de-Bolshevization of Tajikistan will probably go at a faster rate. The Islamization of culture and everyday and social life will begin right away and quickly gain in strength, for nature abhors a vacuum, and Islam has been professed by Tajiks for ten centuries now. In itself the Islamic orientation does not at all mean a transition to the repressive policy of religious purism. By all indications, Islamic radicalism will encounter mass and stout resistance on the part of different sections of the population and some of the Moslem clergy. In any case, Moslem leaders keep stressing their principled tolerance of dissidence.

Most likely, Tajikistan will turn into a secular Islamic state in the near future, with its foreign policy orientation mainly to Afghanistan. As a result of ethnic kinship, Iran's influence is likely to increase too. Economically, Tajikistan will largely be geared to Moslem countries, India and China. Russia's chances of retaining its predominant influence are minimal, and possible attempts to counter Afghan influence by force (inevitably reduced to the backing of Communist institutions) are not only doomed to failure, but will also mar the relations between the two countries for a long time.

Rustam Shukurov

When passions are running high

ITAR-TASS photo

Another "Israel" – in the Caucasus?

The opinion of a Western expert

"Karabakh is one of the crosses which the body of the Soviet Union is nailed to," I was told by a Western expert in CSCE, who asked me not to give his name. Having said that no one today could predict the development of events, he nevertheless made his own very disputable and dramatic prognosis.

Armenia not only tries to succeed in making the Nagorno-Karabakh part of its sovereign territory, but also strives to acquire a new status in the region of the Caucasus and Central Asia. It would like to become, for all purposes, a Caucasus Israel – the promised land of the Armenian world, their beloved state-child, and also a strategic ally of the West – and possibly Russia – on the frontier of Muslim Asia.

Azerbaijan doesn't have a general goal and is only responding to the situation. It is trying to keep its land. A whole series of probable stages of transformations of the situation in Karabakh and around it can be considered.

The first of them is a military solution: Yerevan will gain control over all Karabakh (it is achieved) and establish transport corridor to it through Azerbaijan and controlled by Yerevan (the immediate goal). The well-prepared Armenian fedayeen are operating according to "regulations," which are a mixture of traditional guerrilla-resurgent activity and the rules of operation of commandos. The Azerbaijan forces are combining police methods that are unsuitable for the mountains and the use of tanks and artillery, which are little effective against the fedayeen.

The UN peace-keeping force can be sent only if a ceasefire agreement is reached. Will the fire stop?

At the next round – in the battles for the no man's land between Armenia and Karabakh planes and ground forces will be used which so far neither of the combating parties are capable to deploy for big-scale operation. But if the conflict draws out, it will be the delivery of arms that will decide the outcome of the battle.

Naturally, a large-scale war demands large financial resources which Yerevan will try to get following the Israel scenario, while Baku will use the income from oil and aid from generous oil sheiks. Both sides will make a point of demonstrating their loyalty to the principle interests of their benefactors and stand up for the values of their respective Christian or Sharia civilization.

Armenia hopes to improve its sad economic situation that way, but its calculations are doubtful and demand peace, not war. The Islam encirclement will try to take advantage of the geographical isolation of Armenia and disrupt the delivery of arms and fuel to it. The Georgians will take pro-Armenian stand, but they won't be able to help their neighbour because they have their own internal problems. Shipments to Armenia will go through their ports, but the Georgian roads are of very low traffic capacity and vulnerable to commandos-type operations.

The next stage will be the fight for political power in the Transcaucasia. Armenia will try to secure its military successes as fast as possible through an armistice and by inviting UN or CSCE troops. The latter could preserve the advantageous position of Yerevan: Armenian control over Karabakh and a revision of Azerbaijani rights to the region (the name NKAO is already being forgotten). Baku will resist the preservation of a disadvantageous situation for it and will be counting on increased military action for winning back the lost. This will draw criticism, at least from Europe and the USA, which will not want the conflict to go on or to be involved in it. As in Yugoslavia, the responsibility for the "incorrect borders" in the Transcaucasia will be placed on the former regime (Stalin is guilty) and the advocates of a return of the status quo will be called aggressors with the actions of the Armenians in Karabakh looked at as a fight for national self-determination.

No matter how the war comes out, the inhabitants of Karabakh, whether they be Armenians or Azerbaijanis, will have to live through a long period of devastation, for even full military control over the enclave – by Yerevan or Baku – won't make it fit for civilian life. If the conflict were to expand, not only the inhabitants of the no-man's land in Azerbaijan would be threatened, but also the regions bordering Armenia.

The possibilities for the UN and CSCE to influence the situation in the region are quite limited, and the necessary will and money for this are lacking. Both organizations have been slow in responding, because they are overburdened with other concerns (Cambodia, Yugoslavia and other expensive operations) and partially due to their persisting that Karabakh is an internal problem of the USSR, and now of the CIS.

Alexander Polyukhov,
New Times correspondent
STOCKHOLM

THIS WEEK

The seventh summit of the Commonwealth of Independent States (CIS) took place in Uzbekistan's capital Tashkent. The presidents of Ukraine, Kirghizia, Moldova and Tajikistan were not present. The leaders of the Commonwealth nations agreed on the joint use of their air space and the Baikonur and Plesetsk cosmodromes. They reaffirmed their intention to keep the frontier troops under a joint command and fulfil the former Union's commitments under international treaties on chemical weapons and a reduction of armed forces. They also reached understanding on the issue of forming peace-keeping forces in the Commonwealth.

The draft treaty on collective security, submitted by the presidents of Russia and Kazakhstan, is considered the key document of the summit. It provides the basis for forming a defence union of the states concerned, with a collective security council as its supreme body.

The council of the heads of government, which met concurrently, discussed 18 questions, including the introduction of national currencies, protection of the interests of states that remain in the ruble zone, and measures to improve the financial situation in the CIS.

The next summit meeting is scheduled for July 6 to be held in Moscow.

* * *

The Presidents of Russia and Uzbekistan have signed a treaty of friendship and cooperation between their republics in Samarkand.

* * *

A state of emergency has been declared in Baku, the capital of Azerbaijan. Tension arose after the parliament, at a special session, annulled its previous decision on the resignation of President Mutalibov and the holding of presidential election on June 7. The opposition Popular Front of Azerbaijan described the decisions of the special session as a "coup." Clashes between the Front's armed groups and government troops were reported. As a result of fighting, all major offices and units in Baku have been captured by the opposition.

* * *

Eduard Shevardnadze, Chairman of Georgia's State Council, has visited the Tskhinvali area, where fierce armed clashes between Ossetian and Georgian militants continue.

* * *

French President François Mitterrand, his wife Daniel, Foreign Minister Roland Dumas and other officials have paid a visit to Lithuania. The talks with Vitautas Landsbergis centred on the political situation in the republic and the withdrawal of troops of the former Soviet army stationed there. A treaty of friendship and cooperation between Lithuania and France was signed during the visit.

* * *

Kazakhstan's President Nazarbayev has put forward a comprehensive programme for economic reform in the republic. Under this programme the consumer market is to be restored in the next three years. In the next seven to ten years Kazakhstan is expected to overcome its position of being only a supplier of raw materials, and in the next five to seven years it will become a new industrial state.

* * *

The Russian-Chinese nuclear research centre has been opened in Harbin. Russia has provided nuclear equipment, and China the computer system for it.

* * *

A number of areas in Tajikistan and Turkmenia have been hit by a natural calamity. Huge mudflows have flooded several towns and villages and large areas sown with cotton and grain crops. An earthquake of 6-7 force on the Richter scale has been registered in neighbouring Kirghizia.

* * *

Gen. Gennady Kovalenko, chief of the anti-terrorism department at the Security Ministry of Russia, revealed that terrorist acts against a number of embassies were plotted in Moscow. According to him, the threat comes from foreign citizens. However, the situation is under constant and vigilant control by his service. The embassies know about the danger hanging over them, and the city authorities have been informed too. The security service is sure that the terrorists will be unable to carry out their designs.

* * *

The Grig enterprise set up at the Institute of Zoology of the Academy of Sciences of Belarus has organized the production of snake venom. Venom and preparations from it are intended for export. In exchange, the republic will buy rare foreign-made medicines. Belarus is planning to raise the production of dry snake venom to half a kilo a year.

Cadets in a church. Officers' traditions reviving?

A black box instead of the White Paper

If, when building up a new army, we lose sight of the fact that Russia is a Federation, the army may find itself on the brink of a breakup

President Yeltsin's decree will, presumably, pave the way for building up Russian armed forces, with the former Soviet Army used as "building material." If the nation's new armed forces are to avoid the lot which has befallen their predecessor, they should be based on new principles. Many of these principles have already been specified and are now under public discussion. One of the most important aspects of army development is being passed over in silence, however. We mean the observance, in the course of this development, of the principle of federalism as a cornerstone of the Russian Federation's state system.

This is a no simple – some even regard it as a politically dangerous – matter. We can now trace the process of the disintegration of the USSR's armed forces stage by stage – first, the confinement of the conscripts to "quiet" regions, then to the territories of their home republics; the adoption of declarations and laws; the formation, by those republics, of their own armed forces control bodies and national guards units; the nationalization of the defence industry; the takeover by the republics of jurisdiction over the Interior Ministry bodies and troops; and finally, the division of the army and the Navy and of their property. These processes have already affected Russia. Suffice it to mention the "General Dudayev phenomenon" which may recur outside Chechen, the attempts being made by national-radicals to set up armed formations in Tatarstan, the establishment of national guards units in Northern Ossetia (as part of Russia's armed forces, according to an official statement). Finally, the emergence of the Cossacks on Russia's political scene should be a cause for serious concern; some of their leaders say that "the Cossacks are ready to stand up for the Russians whose rights have been infringed upon, wherever they live" – even by force of arms.

Centrifugal tendencies will grow in the country. In the sphere of the economy they may lead to the autarchy of individual regions; in politics, to the "sovereignization" of non-Russian republics and even of some regions with predominantly Russian population; and in the military sphere – to the emergence of formations parallel to the Russian army.

What is the way out of the situation? Should a determined effort be made towards unified armed forces for Russia? Such an effort has failed to save the armed forces of the Soviet Union. On the other hand, if we take into account (in some way or other) the specific features of the country's state system, won't we bring nearer the prospect of the army's disintegration, i.e., exactly what we are trying to avoid?

5,500 dead, 98,700 maimed

The unity of the army within the framework of one state appears to be self-evident to us. Obviously, the drawing of national and ethnic distinctions in the armed forces can only lead to their disintegration. Article I of the Federative Treaty makes it an exclusive responsibility of the Russian Federation's federal authorities "to maintain defence and security; to run the defence industry; to determine the procedure of the procurement and sales of weapons, ammunition, combat equipment and other army materiel; to exercise control over the production and use of fissile materials, toxic chemicals, narcotic agents." It is also up to the RF federal authorities to decide upon issues of war and peace and of border defence. It is plain common sense that a state's defence system should be integral. The whole question is how to achieve this goal.

Separatist tendencies come, more often than not, from this or that republic losing faith in the centre's ability to protect regional interests and those of private individuals. Take, for instance, the extremely complicated matter of army manning or personnel safety. The political leadership and the military high command don't do anything about the high accident and death rate in the army (according to the statistics released recently, more than 5,500 servicemen – thrice the US figure with the Desert Storm casualties included – lost their lives in our army in 1991; 98,700 were maimed and injuried; 12,348 injuries were registered in January-February 1992, already); circumstances of violent crimes, committed in the armed forces, are kept away from the public eye (army investigators still do as they are told by commanding officers). It is small wonder, therefore, that parents demand that their sons should be allowed to do their tour of duty in closer vicinity to home. Pressure from the parents' committees will keep growing.

It's ridiculous that we often hold on like grim death – only to give in completely in the end. We should bear it in mind that if we meet all the local demands all too readily, Smolensk, Tver and Novgorod will form regiments, and Tatarstan, Kalmykia and Bashkortostan – armies of their own. It is not at all unlikely that the Don Cossacks will restore their "state within a state." Now that separatist passions run high all over the place, and tensions often erupt into conflicts, such a development may turn out to be not harmless at all. It may so happen that our long-familiar propaganda cliches like the "Far Eastern warrior," "the Siberian warrior" may assume a new and disconcerting meaning.

Legislation remains the same

Another common public demand is that Russian soldiers should be withdrawn from the zones of armed conflicts – the Transcaucasia and Moldova.

Our partners in the CIS – Ukraine and Belarus, in particular – are already bringing their soldiers home from the Transcaucasia. A circumstance not to be ignored is that in some of Russia's republics where Islam is widely spread, parents' unwillingness to let their sons serve in the Caucasus is of ethnic or religious character. It is certainly necessary to pull the troops out of the conflict zones, but while they remain there, it is necessary to urgently define their status and to provide guarantees of our servicemen's safety.

In principle, all these problems would be solved by the Russian army's going professional (in which case the law on universal military service would be suspended in peacetime). At the same time, the professionalization of the armed forces is a time- and money-consuming process. No serious prerequisites have been created for it as yet. Inertia is, perhaps, the highest barrier in its way. Notably, the Ministry of Defence is drawing up a contract system for privates and sergeants but is not in a hurry to place officers on the contract footing. So it will be some years before youths are conscripted into the armed forces for the last time. The draft Russian defence law keeps the universal conscription clause. Therefore, we cannot expect an early deliverance from the "regional" problems.

Already now the subjects of the federation have instruments of infuencing the formation of Russia's military policy, the Russian Supreme Soviet being the most important one. The problem is that the territories do not make full use of their political levers of determining the volumes and forms of their contributions to the country's defence. First of all, guarantees whould be provided for the republics and regions taking part in working out the appropriate laws. This problem is of topical importance now that the Russian army and Navy are to be fitted in with the Federation's legislative system.

The Russian Supreme Soviet ought to learn from the sad record of the former Union parliament which failed to adopt "working" defence, armed forces, and servicemen's rights acts. Obviously, this gap should be filled by the chamber which is supposed to express the interests of the Federation – chiefly by the committees directly concerned with defence problems.

Lamentably, the parliament's Defence Committee (just as the government's Armed Forces Commission set up by the President) is not fully representative. The territories not represented in these bodies and, consequently, bearing no responsibility for the decisions made may well go back on their commitments. This may only encourage separatist feeling there.

Who will foot the bill?

Many questions arise in connection with a vital task of the Supreme Soviet which it has not yet got down to in earnest – the formation of the state budget. Now it takes our parliament a few hours – or days, at the longest – to adopt the budget. Few deputies (let alone the public) realize where the money for the maintenance of the army comes from, who endorses the plans for the withdrawal of army units from the foreign countries they are now stationed in, whom these plans are coordinated with, and where these units are transferred to. We remember how incompetently the former Soviet centre dealt with the problems involved in the accommodation of the troops withdrawn from Eastern Europe, how the interior and territorial aspects of the defence budget were ignored.

Incidentally, the federal budget is by no means the only source of financing the armed forces. The territories also bear their share of the burden. Out of habit, the central authorities do not always consult local government bodies on various matters, thus grossly violating the rights and interests of the Federation's constituent territories. In Japan, no army unit, even small one, can be stationed in a village without the consent of the village authorities. Neither can it be stationed there unless parliament allocates money for that.

In our vast federative state, the Ministry of Defence still does not coordinate its troop movement plans with local government bodies. Even new projects are subject to the President's approval only, with parliament, let alone local government bodies, ignored. This practice is fraught with the danger of the territories trying to restrict the powers of the central authorities on their soil (in defence matters, specifically) and to raise the degree of their autonomy or sovereignty. As a result, the integrity of the defence system will sustain a serious damage.

It is not ruled out that as the situation in the country grows worse, the government may be compelled to ask its constituent territories for more help in maintaining troops. Some elements of the militia, as well as the territorial principle of the formation of the armed forces may be revived in the long run. Unfortunately, our military budget has not only failed to turn from a black box into a White Paper (after August and December), but disappeared altogether from the public's field of vision.

Dmitry Trenin and Vadim Makarenko

A new route for Marco Polo...

On the eve of the third millenium one can often hear all sorts of predictions and prophecies. Most of them are of apocalyptic nature. The Earth is said to be in now for a self-explosion of nuclear bombs in Nevada State, now for an ecological catastrophe caused by a hole in the ozone layer, now for a collision with an asteroid (the serious paper like *The International Herald Tribune* predicted this in earnest). Political analysts have also succumbed to this craze, along with astronomers and astrologists. Such a dim view of the future is not altogether groundless. The end of the cold war, the collapse of communist totalitarianism, the breakup of the Warsaw Treaty and then of the Soviet Union – all this indicates the trend of world development clearly enough. And it is not surprising that the approach of a symbolic landmark like the year 2000 is used as a pretext for political forecasts.

Unfortunately, attempts to predict the future often have motives other than truth-seeking behind them. The discussion of the future of Russia on the pages of the May issue of Japan's *Marco Polo* magazine – the very name of which is apparently supposed to symbolize the unity of civilizations – is a case in point. Unity is all very fine, its general implication is, but not all the nations will enjoy it. Two new states on the territory of what is now the Russian Federation – Western Russia and Eastern Russia – appear on the "map of the world" carried by the monthly. It shows the changes which scientists of a number of Tokyo institutes expect to happen in the world before the new millenium comes. Itsuro Nakamura, an expert on Russia, thinks it highly likely that before the year 2000, Russia will break up into two large states divided by a natural boundary – the Urals ridge. In his opinion, Western Russia will become an important member of the Baltic States Union, formed in March 1992, which is in the orbit of the European Community. The capital of Western Russia may move from Moscow to St. Petersburg. Eastern Russia, with its capital in Khabarovsk, will gravitate towards Japan, Nakamura predicts, and become, along with it, a constituent part of the Japan Sea economic zone, which is also to include China, South and North Korea.

This, indeed, seems to be a most likely prospect, at a first glance. I could even enlarge on the Japanese scientist's arguments. In the Russian Federation today, disintegration processes are stimulated by economic crisis, on the one hand, and by ethnic and religious conflicts on the other, as evidenced by the developments in Tatarstan and Chechen. What's more, even some primordially Russian regions of the Federation show a tendency to withdraw to their "regional shell." The south of Russia, for instance, with its warm climate and fertile soils, should, some local politicians maintain, feed its own residents above all. The oil-rich regions of the North are looking to Kuwait as a model. Speaking of the Arab world, one can't help recalling its record of disintegration into separate states, often hostile to one another.

Historical parallels are always far-fetched, all the more so in this particular case. Ours are unique times in many respects – specifically, in that turbulent scientific and technological progress has assumed a global scale. Disunity of nations and disintegration of states contradict its very nature. On the other hand, integration is not always lasting. It is strong only if it is not enforced artificially, as was the case with the former CMEA, but happens naturally, i.e., is called for by the laws of the market and by people's requirements. Integration cannot be based on an arrangement whereby the economy is controlled by one centre like an obedient mechanism. Now we know from the USSR's lamentable experience that such an arrangement can only result in economic paralysis in the computer age of ours. Maximum independence, self-government of individual regions, voluntary and mutually profitable cooperation among them – this alone can lay the groundwork for genuine integration. It is inseparable from cardinal market reforms which would provide a powerful stimulus to Russia's unity. If unsuccessful, however, these reforms would lead not only to the collapse of the CIS, but also to the breakup of the Russian Federaiton into several – not two – separate states.

Who would gain from that? Those who seek to establish "zones of influence" in Russia? This very notion has become an anachronism in its classical meaning, let alone as applied to Russia. Let us presume, though, that the Japanese expert's prediction comes true, at least as regards Eastern Russia. This would bring an unpredictable chain reaction in Asia as a whole, and the problems existing there – including that of the "northern territories" – would be further complicated, as Nakamura himself grudgingly admits.

Speaking of the global consequences of such a development, the possibility of nuclear weapons coming into play should not be ignored, either. After the USSR had fallen apart, proliferation of nuclear weapons was prevented by an intense effort. This effort is successful only because Russia remains united. If it breaks up, the world community will be unable to cope with the problem. Indeed, who will have control over the huge deadly arsenal: St. Petersburg, Khabarovsk, or perhaps Rostov-on-Don, as the Cossack capital? Besides, the nuclear disarmament process would be deadlocked in this case.

There is a different prospect, however. Influential Western quarters have put forward a plan, supported by President Yeltsin, of setting up a "Vancouver-Vladivostok" international security system. Even from the purely geographical viewpoint, this system's centre of gravity would be in the Russian Federation only, with its size, its military potential, its manpower and natural resources.

On his way from Europe to Asia, Marco Polo bypassed Russia. Concerned with the fate of civilization, he might have taken a different route today.

Dmitry Volsky

The same old story: fraudulent figures

Relying on the official statistics, the government underestimates the graveness of Russia's economic situation

What's happening to Russia's economy? How serious is the production slump and how great are the price hikes? Everyone wants to know the answers, but those who are professionally responsible for giving them for some strange reason supply differing figures.

The figures were disputed during the entire session of the Congress of People's Deputies, although it was not a matter of figures, after all, but of different assessments of Russia's economic situation and the progress of reforms.

The dispute broke out after it was found out that absolutely different figures were used in the government's report on the progress of reforms from those used in the report worked out under Ruslan Khasbulatov's supervision.

Why are the assessments of the economic situation in Russia so contradictory?

Who is to be trusted?

The government leans on the data supplied by Russia's State Committee for Statistics (SCS) which give support to the notion that the economic situation didn't worsen after reforms started and that the present hardships are only the continuation of tendencies from the pre-reform period.

The comic, or rather, tragicomic side of the situation is that Ruslan Khasbulatov, as the speaker of the Supreme Soviet to which the State Committee for Statistics is subordinate, dissociates himself from the latter's assessments and resorts to the assistance of independent economists.

The government, on the contrary, unreservedly accepts the assessments made by the SCS, although, to the best of my knowledge, the first Vice-Premier Yegor Gaidar was rather critical of the Committee's performance. In 1988 he was the editor of my article published in the magazine *Communist* which contained a sharp criticism of the official statistics.

Khasbulatov says in his report: "According to the official data, the drop in producion during the first three months of the year reached 15 to 18 percent, or 23 to 28 percent, according to selective data by independent research centres and independent expertise." Here the first quarter of this year is compared to the same period of the last year.

Khasbulatov's report was prepared in late March, so the results reached in March were not taken into account. According to the SCS, the decline in industrial output was 13 percent in the first quarter. The average balanced output dropped by 14.9 percent, considering that last March there were two workdays more than in the previous year.

Why have Soviet statistics always distorted the dynamics of industrial output?

Statistics ignored the latent escalation of wholesale prices which arises during a transition to manufacturing of a radically new kind of products or in the case of modification of the old, when, on the pretext of improving the quality of a product, its price is forced up in no proportion to the quality improvement, if the latter at all occurs. The SCS states a rise in production, while in fact it was simply prices which rose.

Therefore, the real dynamics of production can be assessed proceeding only from the dynamics of production of vital products in kind, or from the dynamics of consumption by industry of the most important raw materials, naturally, also in kind. This method prevents the influence of the concealed escalation of wholesale prices, distorting the real dynamics of production growth. It is not free from drawbacks, but, having verified it by other methods, I have made sure of its reliability.

The miracle of statistics

My calculations show that the output of civil industries has dropped by 24.3 percent, which means that the situation is much worse than stated by the SCS – 15 percent in January and 13 in the first quarter. But there is also the defence industry.

Its output this year is planned to be 31 percent of last year's level, and the results of the first quarter in terms of value show that the task is being successfully fulfilled.

Considering those employed in the defence complex, the decline in production will reach 26.4 percent. Thus Ruslan Khasbulatov's assessment of the decline in industrial output was more accurate than that by the government which trusted the SCS. The latter considerably understates also the diminishing of national income, estimating it at 14 percent in the first quarter. My calculations show that the real fall in national income was at least 29 to 31 percent. I say "at least" because for the sake of a greater accuracy in calculations I proceed from the minimal assessments of the fall. The accuracy of these assessments are corroborated by calculations with the use of different methodology which takes into account the decline in personal consumption, investments in fixed assets, export, defence expenses...

Grigory Hanin is a well-known economist who has tried for years to find out the nation's real economic situation.

Drawing by Marat Tairov

The government assured us that in February 1992 retail prices grew only 4.8 times as compared to last December.

Ruslan Khasbulatov referred to the experts' opinion according to which "the growth of prices was much higher." His report published in *Rossiiskaya Gazeta* mentions a definite figure: prices jumped 17 times in four months.

Much depends on this figure, including the size of income indexation promised by the government.

The statistics of retail (as well as wholesale) prices has always been unsatisfactory, to say the least, and for the same reason – the latent growth of prices was disregarded.

However, the misadventures of the index of retail prices this year appalled even those who are accustomed to the slippery nature of our statistics. The people saw with their own eyes that prices soared after their unfreezing on January 2, while the SCS reported that in January prices grew 3.5 times as compared to last December.

The secret of this statistical miracle was disclosed by the head of living standard survey department of the State Committee for Labour and Social Affairs in *Rossiiskaya Gazeta.*

Everyone remembers that in January the population discouraged by exorbitant prices practically stopped purchasing certain products which were returned to their producers or thrown away. In accordance with our methodology of calculation, unsold goods do not affect the price index which for that very reason turned out to be much lower than the real one.

Formally speaking, the SCS did not violate the fundamentals of the science of statistics, although it ought to have changed its methodology of calculation, taking into account the extraordinary situation.

Don't believe the SCS

Of course, the all-around growth of prices didn't have to coincide with the growth of prices in the state-controlled trade. Prices didn't grow so considerably in marketplaces and in the so called commercial trade. It should be born in mind instead that part of goods sold, according to accounts, for state-fixed prices were in fact bought at these prices by intermediaries who resold them at much higher prices on the free market.

Unfortunately, there is no exact information about goods sold at state-fixed prices on order or through other outlets.

The weekly *Kommersant* which carries out independent calculations of price index insists that in January prices grew 5.4 times as compared to last December.

It's a pity that *Kommersant* doesn't disclose its methodology of calculation. An analysis of its previous calculations showed that *Kommersant* overstated the real price rise.

Closer to the reality is the figure intermediate between the assessments by the SCS and *Kommersant,* i.e., that prices grew 4.5 times. During the entire first quarter of the year prices grew eight-odd times as compared to last December. This exceeds the estimations by the SCS, but even considering that in April prices grew 1.5 times, this figure is below that stated by Khasbulatov, i.e., 17 times.

Correspondingly in January the real earnings of the population dropped by 53 percent as compared to last December. In February and March incomes in terms of value grew quicker than prices, so now the income of the population is 40 percent below the level of December.

These examples do not exhaust the distortions of economic information revealed by an analysis of Russia's economic development in the first quarter of this year. The "traditional" distortion of the dynamics of national income was 5 percent; this year it reached 15 to 16 percent!

Who is responsible for that? Primarily, of course, the Russian Supreme Soviet, since it placed the SCS under its control. However, the government could have done something to improve statistics or it could have created an alternative statistical service, if the SCS proved incorrigible.

The adequate data concerning the most important economic indicators in the first quarter of the year testify to an extremely grave economic situation in Russia. It is, certainly, the result of destructive processes which took place in the country's past; however, the beginning of reforms failed to put an end to them.

The rate of decline in national income and industrial production grew even in comparison to the last year's fourth quarter, when economic crisis caused by the disintegration of the USSR's state and economic mechanism reached its peak. The rise of wholesale and retail prices quickened sharply, closely approaching the hyperinflation level, in spite of the fact that it was precisely their stabilization that was regarded as the major objective of the first stage of economic reform.

I am afraid that the present Russian government captivated by the "fraudulent figures" is going to repeat the mistakes made by their predecessors, underestimating the graveness of our economic situation and the danger which threatens all of us.

Grigory Hanin

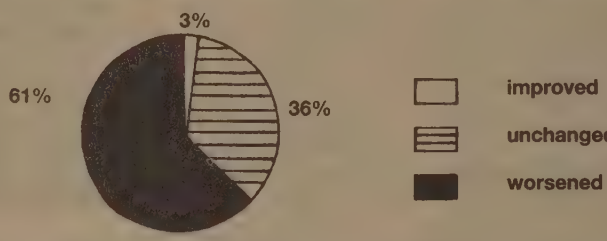
NOVOSIBIRSK

SOCIOLOGICAL SURVEY

Prof. Boris Grushin's Vox Populi poll

The capital, as usual, leading

How have your living conditions changed in the recent few months?



Complaining more often about their lives worsening are the most elderly people (67%); the better educated ones (63%); naturally, the unemployed (65%), and among those employed, those who work in the state-owned sector (59% as compared to 55% of those working in cooperatives, 52% of those employed in joint-stock and private enterprises and joint ventures and 51% of those working at collective farms.)

From a regional point of view (the VP service holds polls in 18 cities and towns and in the country's 17 countryside districts from Pskov to the Amur), the situation is a bit better in the Far East (4% of the pollees stated that their living conditions had improved; 51%, that they remained unchanged and only 44%, that they worsened); in the north of Russia (respectively 1%, 43% and 53%); in the Urals region (3%, 41% and 55%) and in the Central Chernozem region (2%, 45% and 53%). The worst situation is observed in the North Caucasus (74% marked the worsening of living conditions) and in Moscow (73%). At that, Moscow boasts of the greatest number of those whose life has improved (6%), which testifies to the highest level of social stratification occurring in Russia's capital.

(An All-Russia public opinion poll, late February; 1,985 people approached; in % to the total.)

THE ASSOCIATION FOR BUSINESS PARTNERSHIP WITH FOREIGN COUNTRIES

VNESHSTROI-COMPLEX

possessing a vast experience in foreign trade renders enterprises practical assistance in organizing and carrying out export and import operations in the following basic spheres

EXPORT

- natural facing stone and other non-ore minerals (granite, marble, kaolin, wollastonite);
- timber, wood products and refuse wood;
- chemical products and fertilizers;
- metallurgical products and scrap;
- construction materials of all kinds and purposes;
- industrial and household electrical equipment;
- different kinds of construction projects abroad.

IMPORT

- complete technological lines, mechanisms and equipment for various industries (the treating of stones, glass production, brick production and the treating of wood);
- cattle-breeding complexes and equipment for processing milk, meat and other animal products;
- medical and diagnostic equipment;
- industrial and civil construction projects inside the country.

DOSSIER

Basic provisions of the programme of state and municipal enterprises privatization in Russia in 1992

Endorsed by the Russian President's Decree of December 29, 1991 (Abridged)

Enterprises and facilities to be privatized with the permission of the Russian government

1. Enterprises of all sectors of the national economy officially qualified as irremovable monopolies.
2. Largest enterprises of the national economy (with an average annual value of fixed assets as of January 1, 1992, in excess of Rbs200 million or a staff of over 10,000).
3. Enterprises for the manufacture and repair of any weapon systems and elements thereof, production of ammunition, explosives, pyrotechnical devices, establishments carrying out R&D in the said fields; civil defence and mobilization facilities; and defence-related equipment subject to utilization.
4. Facilities of the nuclear power engineering industry.
5. Mining enterprises, except producers of local raw materials and poisonous and narcotic substances and strong poisons; and processors of precious metal ores, precious and semi-precious stones, and radioactive and rare-earth elements.
6. Enterprises of the fuel and energy sector, including coal, oil and gas producers, coal-, oil- and gas-processing plants, petroleum product supply facilities, export oil handling terminals, and oil-handling terminals of interregional and republican importance.
7. Gas suppliers which constitute a single gas supply system of the Russian Federation.
8. Air, railway, sea and river transport.
9. Building organizations and producers of building materials and structures of all-Russia importance.
10. State-run pedigree and stud farms, selection and breeding centres, state-run seeds inspectorates and farm crop strain-testing laboratories, strain-testing stations, and producers of valuable and anadromous fish species.
11. Higher educational institutions, research institutes, establishments of the Russian Academy of Sciences and those of the Russian Academy of Education, sectoral academies, the Russian Ministry of Science, Higher School and Technological Policy, the Russian Ministry of Education, and the Russian Ministry of Health, the facilities of state-run research centres, the Nauchniye Pribory Group, Inc., and pre-school establishments run by particular departments.
12. Printing facilities, publishers, and news agencies run by the Russian Press and Information Ministry.
13. Producers of pharmaceuticals, medicines, and biological preparations.
14. Producers of alcoholic drinks and tobacco factories.
15. Producers of baby food.
16. Folk art and craft industries.
17. Grain elevators, refrigerators and warehouses for the permanent accommodation of state resources and storage of contingency reserves.
18. Retailers and catering establishments within enterprises, wholesalers catering to Far North regions, and enterprises of the nuclear power engineering industry.
19. State-run health resorts and holiday centres.
20. Urban passenger transport facilities and urban transport repair shops.

Enterprises and facilities to be privatized with the permission of government managing bodies and local authorities

1. Urban taxi fleets.
2. Pawnshops.
3. Baths, laundries, and hotels.
4. Organizations providing mortuary services.
5. Garbage-recycling facilities.
6. Pharmaceutical establishments (subject to official licensing).
7. Uncompleted social welfare and cultural facilities.
8. Film-making and distributing facilities.

Enterprises and facilities not allowed to be privatized in 1992

1. Mineral wealth, water resources, forests, air space, and resources of the continental shelf, territorial waters and the sea economic zone of the Russian Federation.
2. Protected natural areas or natural areas used for special purposes.

MOSCOW BUSINESS WEEK

DOSSIER

3. Historical, cultural and natural sites and works of artistic value (including historical and cultural monuments, the state archives and their affiliates on the territory of Russia, the state video, photo and audio documents, records and assets of research establishments, and advanced training institutions).

4. The Russian Treasury (the Russian budgetary funds, the state pension fund and other state extrabudgetary funds, the assets of the Central Bank of Russia, gold, and diamond and foreign exchange reserves).

5. Banks and other financial institutions, establishments concerned with the issue of money, Treasury bills, shares, bonds and other securities.

6. Assets not subject to industrial utilization which belong to the armed forces accountable to the government of Russia, to the Interior Ministry, and to other government-funded institutions of Russia as well as those institutions on its territory which used to be funded from the budget of the USSR.

7. Geological, cartographic, geodetic, weather, and environmental monitoring services.

8. Sanitary, epidemiological, veterinary, plant protection, and forestry services.

9. Patent, standardization and metrology services, and equipment-testing facilities.

10. Power industry facilities.

11. Pipeline transport facilities and related institutions.

12. Water economy and amelioration facilities.

13. Communications agencies (except the Soyuzpechat central retailing and subscription agency) and television and radio broadcasting centres.

14. Motor roads for general use and road maintenance organizations.

15. Enterprises manufacturing and selling jewellery, and manufacturers of orders and medals.

16. Enterprises producing strong poisons, narcotic and poisonous substances, and those sowing, cultivating and processing crops containing narcotic and poisonous substances.

17. Port facilities, the nuclear, training, and hydrographic fleet, rescue and oil spill clean-up facilities, Atomflot repair and supply facilities, waterways and canals enterprises, shipping inspectorates, and the assets of the Podvodrechstroi group.

18. Contingency reserves (which shall not be counted as part of the assets of an enterprise in case of privatization).

19. Testing sites, structures, and equipment for the burial of solid industrial waste and household garbage, and cattle burial sites.

20. Penitentiaries.

21. Engineering infrastructure facilities (electricity, heat and gas suppliers, water supply, sewage and street lighting systems), municipal public utilities.

22. Crematoriums and cemeteries.

23. Producers of fissionable and radioactive material and space vehicles; facilities for servicing, launching and tracking of space vehicles, and establishments concerned with R&D in the fields.

Use of foreign investments in privatization

Foreign investments shall be used on the following terms:

1. Foreign investors can take part in privatization of trading, catering and motor transport enterprises and facilities, as well as small industrial and construction enterprises (employing less than 200 persons and whose fixed assets are worth less than Rbs1 million) only through competitive bids (i.e., through commercial competitions with a view to attracting new investments in a a given enterprise).

Foreign capital can be used in other privatization schemes through auctions or price competitions only with the permission of the Russian State Committee for Property Management.

2. Additional incentives shall be used to attract foreign capital for privatization in the following industries, facilities and enterprises:

– loss-making enterprises;

– frozen and uncompleted construction projects;

– enterprises scaling down production due to shortages of imported raw materials or equipment;

– enterprises in primary processing of farm produce and food industry enterprises;

– enterprises producing construction materials.

The following incentives shall be allowed to attract foreign investors to such enterprises and projects:

– sale of the controlling or 100-percent interest (less shares distributed among the employees);

– priority right granted to the foreign investor to purchase additional shares at market prices after 10 percent of the stock has been sold by auction (this benefit shall be applicable only if the shares rose on initial quotations);

– right granted to the foreign investor on contractual terms to manage the stock held by property funds.

3. Foreign investors can take part in the privatization of the following properties only with the authorization of the Russian government:

– major enterprises of the national economy (with an average annual value of assets more than Rbs200 million or employing more than 10,000);

– enterprises in all sectors of the national economy recognized as monopolists by decision of the Russian State Anti-Monopoly Committee;

– enterprises and organizations providing insurance and intermediary services related to the flow of securities.

In such instances, the government of Russia will impose one of the following restrictions on the participation of foreign investors in privatization in 1992:

– complete ban on participation in privatization;

– ceiling on the foreign investor's interest in the joint stock (for a term of up to three years);

–Russian State Committee for Property Management (the Russian Federal Property Fund) will retain the "gilt share" that gives the veto power or a deciding vote on issues defined by the Russian government or in the founding documents of the enterprise;

– licences issued to foreign investors by the Russian Committee for Foreign Investments to authorize their participation in privatization.

4. Participation of foreign investors in the privatization of high-tech industries (where R&D expenses amount to at least 10 percent of the industry's profits), enterprises under conversion and enterprises of the fuel-and-energy complex will be subject to compulsory licensing by the Russian Committee for Foreign Investments.

5. Prior to the purchase of a privatized property or shares in one enterprise worth more than $10 million (Rbs50 million), and shares that represent over 50 percent of the votes, the foreign investor will seek consent of the Russian Committee for Foreign Investments.

6. In addition to the details published in the bulletin of the corresponding property fund (Commmittee for Property Management), details referring to properties marked for sale to foreign investors will also be available in English.

MOSCOW BUSINESS WEEK

Московская Международная
Школа Переводчиков

М М П Ш

Moscow International School
of Translation and Interpreting

MISTI

TO ALL STUDENTS OF THE RUSSIAN LANGUAGE!

MISTI OFFERS A TWO-WEEK CRASH COURSE OF RUSSIAN AT THE BLACK SEA INTERNATIONAL RESORT OF SOCHI

The programme includes 40 hours of Russian, tours of local sites of interest, beach, swimming pool facilities and sport grounds.
Two courses are envisioned for each month from June 1 to August 31, 1992, beginning on the 1st and 15th of each month.
Each class will normally consist of no more than 8 people with the same level of Russian. Private classes, arranged specially, are available for individuals with unusual schedules or needs. In such cases the fee must be individually negotiated.
Tuition fees for 40 acad. hrs (distributed over two weeks), hotel accommodations and restaurant meals are $450, i.e., $30 per day per person.
A group of 8 people or more will receive a 16% discount, making it $25 per day per person.
Additional charges: souvenirs $5, farewell party $10. The total cost is thus $450+$15=$465, or at a 16% discount $375+$15=$390

Accommodation will be in a comfortable hotel (double-room suite with a private bothroom).
Air fare to and from Moscow and visa expenses are to be paid by the participants.
We fully guarantee rapid improvement in your Russian. Classes in Russian are conducted by experienced instructors, all specially trained as professional teachers of Russian as a foreign language, most of them hold academic degrees and are ranking professors.

Applicants are kindly requested to put down their full name, place a date of birth, nationality, passport number, address, sex, educational background, occupation, level of knowledge of Russian and indicate the dates of their preference. Your application should reach us at least one month prior to the time you intend to begin the programme, as indicated in your application. Upon its receipt we will write to you, informing you of the number of our bank account, date of classes and the number of your visa invitation.

Our address: Moscow, International School of Translation and Interpreting
P.O.B. 51, Moscow 123103, Russia
FAX: (095) 975-2164, (095) 943-9373

Yugoslavs help develop Siberia

The Yugoslav firm Generalexport has opened an office in Krasnoyarsk. It is not a "newcomer" in the Krasnoyarsk territory. For instance, various social-purpose buildings are being put up with its assistance in Norilsk. The firm is also engaged in timber processing. G. Lapin, head of the Krasnoyarsk office, said it would be possible to expand these business contacts. First of all, Yugoslav specialists are going to take under their control the construction of a furniture factory in Krasnoyarsk, which was to have been completed long ago.

Banks show interest

Dresdner Bank, one of the biggest and most authoritative in Europe, opened a representative office in St. Petersburg. At the initial stage, the bank will offer consultative services concerning the transition to a market economy. But the chief objective of the Bank is to set the stage for direct investment in various economic sectors in the city, and to arrange for contracts with individual companies and agencies for a dynamic entry into the market presently being established. Foreign banks show interest in, and plan to support, defence conversion programmes.

According to Dresdner Bank representative Peter Waring, of particular importance is the creation of independent commercial banks, the destruction of the existing centralized banking system, and the retraining of banking personnel.

Plastic money to be used

The first plastic card system will be introduced in St. Petersburg. Automated banking systems will be installed at the Kirov branch of the St. Petersburg Russian Savings Bank, and trading terminals are to be located at the Narvsky department store.

The equipment was bought from the French company Bull, while the payment service system was developed by the JV Ilka.

Citroen in Russia

Russia's first-ever service station for Citroen vehicles has been opened in Moscow. It is a joint venture formed by Russia's foreign trade organization VAO Optintorg, the French firm Companie Olivier, and Moscow's Motorcar Centre No. 32.

"The station was built and equipped so quickly we could hardly believe it," states Roger Mirgalet, Vice Director of Citroen's International Department. The station is comprised of a car repair shop and a spare parts store.

There are also plans to open a Citroen outlet facility at the station. The latest Citroen models will be offered for sale, including the now-famous Citroen ZX Aura – the winner of last year's Paris-Dakar rally – and the Citroen XMD12 Sensation Turbo.

"We are serious about establishing our presence here in Russia. We're even planning to open a restaurant serving French cuisine at the station," stated Mr Dufour, France's Ambassador to Russia, at the opening ceremony.

Vivat Moda

An idea is the first step in any kind of undertaking. The idea behind the company Vivat Moda is neither new nor particularly unique: fashionable clothes should be sold in shops. This sounds like rather a commonplace assumption, but in Russia, clothes were designed by people who pursued aesthetic aims, but were manufactured at factories that overlooked quality and sought only to produce more and more.

The company's founders believe it promising to have a combined textile/apparel facility that would respond promptly to the changing tastes of consumers.

Vivat Moda produces up to 3,000 units a month, mostly ladies' wear, including dresses, suits, woolen flannel and pure wool coats, along with small batches of particularly trendy clothes. Vivat Moda produces only pure wool clothes. This "ecological purity" is attracting the attention of western buyers.

The company is currently engaged in talks with foreign enterprises in Germany, Italy, the USA and China concerning orders and joint ventures.

Moscow's new four-star hotel

The modern hotel complex Novotel, erected near International Sheremetyevo Airport, serves as yet another graphic illustration of the excellent prospects for international cooperation in a market environment. The imposing multi-storey building was constructed by the joint venture Sherotel. Sherotel was set up by the Central Directorate of International Air Traffic, the Aeroproyekt Institute, the Belgian building company Besic, and the French hotel firm Accord.

Moscow's guests will now have the chance to have a good rest before taking on the tour.

French is spoken in kindergarten

The first bilingual kindergarten has been opened in front of the French embassy in Moscow. It is a joint action of the Moscow education department and the French embassy. "It's our desire that Russians gain access to world culture since their childhood," Irakly Gabelia of the Moscow mayor's office said at the opening ceremony. "This explains why the kindergarten's programme includes the study of not only French, but also of French and Russian culture."

Business does not kill,

people do, says Professor Valentin Larionov, Maj. Gen. (Ret.)

Mountains of weapons and peace are incompatible in principle, and selling arms is immoral from the viewpoint of general human interests. Nevertheless, I cannot agree with Vadim Makarevsky who, in his *New Times* article (No. 16) referred to Russia's billions of dollars in arms sale as a "murderous business."

As distinct from times of old, the modern Russian arms business is not ideologically motivated. Underlying it are principles of mutual advantage, and all the nations' equal rights (enshrined in the approporiate UN declaration) to defence from external aggression. Even the countries who have the reputation as most active arms buyers (Makarevsky has made a list of them) may well plead the need for self-protection. And although those thirteen countries indeed have among them more weapons than the NATO countries do, this comparison, made by V. Makarevsky, is a formal one, because NATO is an alliance while it is hard to imagine Pakistan and India, for instance, or Syria and Israel being members of the same military bloc. Single-handed, each of the thirteen arms buyers can be of danger to his closest neighbours only.

There is another side to this problem. Weapons are, to a certain extent, an attribute of culture. In order to bring about universal and complete disarmament, it is necessary to destroy or withdraw from circulation a whole system of age-old traditions, material values, scientific and design ideas. There is also the aspect that the arms race involves inner motives, such as the designer's wish to embody his ideas in metal, the military-industrial complex's desire to sell arms for profit, and the worker's need to provide for himself and his family. A product of the interaction of all these interests, the world military-industrial-scientific-strategic complex has set the flywheel of the arms race spinning, and this flywheel is revved up by the laws of internal dynamics. At times, this results in the warring sides using weapons of the same country of origin against one another. Calling these laws off is beyond the powers of man. It is impossible to stop scientific and technological progress which can only be slowed down or reoriented. In the same way, there is no closing down the munitions industry.

Since weapons are produced, it is only natural and legitimate to sell them, on condition that arms sale is put under strict international control. How is that to be accomplished?

The way I see it, the strategic line to be taken in this sphere now, at the turn of the 21st century, is that of creating a worldwide system of military balance.

The current situation favours the realization of this idea: the cold war is over, mankind has entered the last decade of the 20th century – a century in which no aggression has been victorious. The latest case in point is Saddam Hussein's venture which ought to discourage potential aggressors from trying their luck. Finally, some countries have built up enormous arms surpluses the redistribution of which should be put under strict international control so as to guarantee balance. In a word, it is time to hold an updated equivalent of the Washington Conference of 1921-22.

Some may object that the Versailles-Washington system of treaties only went to provoke a controlled arms race. The Russian Federation, for example, which was not invited to the Conference, took the line of armament for defence, and in Germany, Nazism was brought to power by a rise of revanchist feeling intensified by the Washington treaties between World War I winners.

I do not think that anything of the kind can happen today. First of all, no state has been expelled from the world community. Second, a world conference on arms trade control can set for each country certain arms sale and purchase quotas. Third, mankind already has an international nuclear arms non-proliferation treaty signed by over 150 states. If any state violates this treaty, legitimate international sanctions can be taken against it. Obviously, the quotas and actions to be taken as punishment for exceeding them can be agreed upon.

Won't the military balance system and the five powers' nuclear monopoly perpetuate the inequality of the military potentials of such states as the USA and Cuba, France and Chad, Russia and Pakistan?

Inequality of military potentials has always existed, but has not always led to wars. On the contrary, the restriction of military capability will calm down the political leaders who are prepared to plunge their nations into ruin for the sake of flexing military muscle.

Drawing by Vladimir Kazanovsky

US opposed to Indian use of Russian missile technology

Moscow and Washington have a fall out during their honeymoon

The Indian government will take every measure to defend the "honour and sovereignty of the country" in the face of US sanctions against the ISRO (Indian Space Research Organization) and Glavkosmos (the Russian Central Space Board). Washington has imposed a two-year ban on the purchase of any US licence products by these organizations, the import of their products to the United States, and the signing of any government contracts with them.

Many Indians believe, and with good reason, that in this way Washington has punished Delhi for its refusal to sign a contract with an American company for the delivery of cryogenic engines. I have obtained a copy of an official letter sent by Stephen R.Huggins, director of international programmes of Pratt and Whitney, to Prof.U.R.Rao, chairman of the Indian Space Research Organization. The letter is dated October 6, 1987. The Western countries signed then in London an agreement on control over the non-proliferation of missile technology. Officially, the purpose of the agreement is to bar the way for countries developing nuclear weapons to acquire the means to get them to a target.

"Dear Dr Rao,

"It is with great interest that we note the progress being made by the ISRO, under your leadership, towards the application of space technology for the development of your country. We are pleased to note that our RL-10 engine, with its perfect flight record, has the potential for use as an upper-stage engine in some of the ISRO launch vehicle configurations. Preliminary discussions on this subject were conducted with Dr Muthunayagam in November 1986. (Dr Muthunayagam was then director of the Liquid Propulsion System Unit, department of space, government of India).

"Cooperation between our organizations could contribute to the continuation of fruitful Indo-US space activity relations, and we are very interested in pursuing these activities. After examining our options, it is clear that a mutually acceptable programme can only be defined after US government approval. Further, US government authorities have informed us that any request for sale of the RL-10 engine to support specific ISRO launches must come from the government of India to the US government. Such contact can be initiated in the US embassy in New Delhi. Subject to US approval, Pratt and Whitney will work closely with ISRO to provide the necessary RL-10 technical information for a suitable programme and upper stage configuration definition.

"We, therefore, request that the government of India approach the US government authorities in New Delhi for the necessary clearance to enable Pratt and Whitney to finalize a mutually acceptable programme with ISRO for the sale of RL-10 engines."

I have not yet been able to establish whether the Indian government applied to the US administration for the delivery of RL-10 engines. I only know that contacts with Pratt and Whitney for the purchase of its cryogenic engines continued. It follows from the letter of Stephen R.Huggins that Washington knew about the essence and course of talks between Pratt and Whitney and the ISRO and, at least, did not object to their continuation. Later, Pratt and Whitney gave way to a larger and more powerful American company, General Dynamics. But General Dynamics lost in the competition with Glavkosmos: the price asked by Glavkosmos for similar engines was only a third of the price charged by Americans.

The rather sharp reaction in India to the sanctions imposed on it and Russia demonstrates without doubt that Delhi has no intention of knuckling under to Washington's demand. Secretary of State Gennady Burbulis set forth the Russian government's stand during his visit to India. Replying to the question of an Indian journalist on the expediency of holding a Russian-Indian-American meeting to discuss the present situation, he said: "Despite its outward attractiveness this proposal is of little value. All possible arguments have already been made known, and our position is firm: we intend to confirm our commitments under this contract, relying on an international examination which would remove all questions from any side. This approach fully accords with standards of international law and can be an example for states which seek to set a trend in the world arena, disregarding the interests of their partners."

The point is what questions should be solved by an international examination — the possibility of using Russian technology for military purposes?

During the visit of India's Defence Minister Sharad Pawar to the United States last April deputy Secretary of State Bartholomew said that Russian technology could not be used for military purposes. (Only "a technologically illiterate man," an Indian expert told me on this occasion, can believe that a missile to be filled with liquid oxygen-hydrogen fuel during three months can be used for military purposes). Nevertheless, this missile falls under the London agreement which, incidentally, has not been signed either by India or Russia.

Expressing the Indian government's view, the *National Herald* believes that the aim of the London agreement is to ensure the monopoly of the United States and its Western allies in the field of missile technology. Attempts to consolidate this advantage by putting obstacles in the way of progress of other countries in this field, the newspaper wrote, can be compared with actions of a frenzied bull. Let us add here that Washington rather appears in the role of a toreador driving Russia and India into the corner.

According to Mikhail Malei, Yeltsin's adviser on defence complex matters, 16,000 workers of Russia's aerospace industry will become redundant if the contract between Glavkosmos and the ISRO is disrupted, and the industry may be on a down-hill course in the longer range. A similar course of events is likely to discourage India from developing its cooperation with Russia in this field. Trust in Russia as a reliable partner will be undermined not only in India but also among many of our present and potential partners.

The Moscow-Washington dispute over the missie deal shows that accord between them in their new capacity as partners or even half-allies is only beginning. Such episodes as the "missile scandal" can slow down the process of accord, but are not likely to complicate our relations seriously, the more so that implementation of the contract will begin only in 1994, and anything could happen by that time.

Sergei Irodov,
NT correspondent

DELHI

The Kuril issue remains

The nineteen persons who disembarked from the *Marina Tsvetayeva* vessel in the Japanese port of Kusiro were accorded a royal – or rather an imperial – reception.

The nineteen guests from the South Kuril islands of Iturup, Shikotan and Kunashir, because of which Moscow and Tokyo never signed a peace treaty over four-odd decades, were taken on a tour of Hokkaido and weighed down with gifts.

The nineteen ordinary Russian citizens almost none of whom had ever been abroad before rivalled in popularity Mikhail Gorbachev who was visiting the hospitable Japanese at the same time.

Boris Yeltsin faces the alternative of using all his political weight to settle the South Kuril issue, or sparing his strength for the imminent fierce clashes with the opposition

Exiles are better off than those who have banished them

The weather in Hokkaido was most unlike spring – cold and rainy. Journalists covered the Russian guests' stay in minute detail. They got up at the crack of dawn every day and froze stiff in the cutting wind for hours so as to transmit to their editorial offices, news agencies, radio and TV stations interviews with each of the nineteen. Newspapers devoted whole pages to the visit. TV helicopters hovered overhead. Cars fitted with equipment for live telecasting via satellite links were "glued" to the bus which carried the guests throughout.

The guests from the islands which had belonged to Japan until August 1945 were received by Hokkaido's governor Masahiro Yokomichi who, in 1990, saved the lives of two badly burned Russian boys by arranging for them to be treated at a Sapporo clinic.

Japanese schoolchildren lined the roads, waving brand-new tricolors. That was the kind of welcome once accorded to foreigners in this country, too.

It was all due to an agreement on visa-free exchanges between the former and present residents of the northern territories (Shikotan, Iturup, Kunashir and Habomai archipelago).

The former residents had long waited for a chance to visit their home islands where their parents lie buried.

Finally, one fine day, Moscow "showed humaneness" (to use a Party slang expression current then) and suggested that the Japanese wishing to visit the Kurils should proceed along the usual lines, i.e., apply to the Soviet Embassy for visas. This did not suit the Japanese government at all. From Tokyo's point of view, the islands are an unlawfully occupied part of Japanese territory; consequently, there is no point in the Japanese getting their passports stamped before going there.

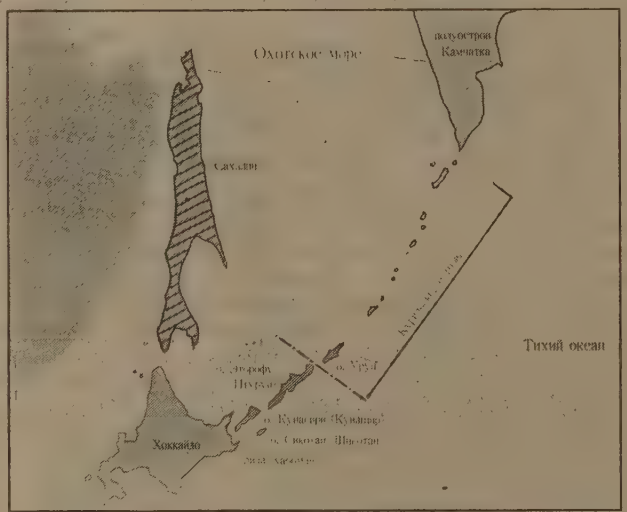
In the end, Tokyo's logic was accepted, whereupon more people (both Russians and Japanese) were given a chance to visit each other without visas. The present residents of the northern territories benefitted from that – now they could go to Hokkaido and be satisfied. It turns out those whom Soviet power had banished from the islands, in order to settle its subjects there, are not badly off at all.

The visit culminated in a get-together in Sapporo of the former and present residents of the four South Kuril islands.

Unexpected advantages of living on an island

Soviet troops captured the islands late in August and on the first days of September 1945 after Japan had already surrendered.

On February 2, 1946, the Presidium of the USSR Supreme Soviet issued a decree which made the islands a part of the Soviet territory. Many Japanese still continued to live and work on them, along with the Russians. About 17,000 Japanese had lived on the islands before the war. In 1947, the Japanese were ordered out. They had to abandon their homes and all their property and move to Hokkaido empty-handed, to be resettled there. As it turned out later, they were lucky, after all.

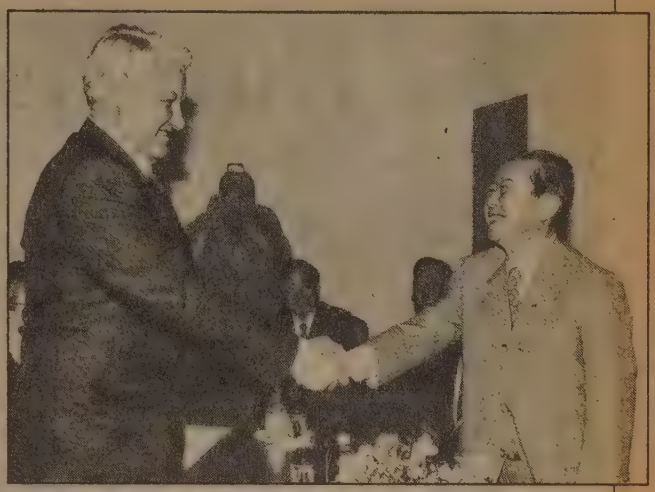


In 1855, the border was drawn between Russia and Japan for the first time. The islands which, a century later, came to be known as "northern territories" came under Japanese rule by mutual consent

About 300 Sakhalin Japanese were unable to return to Japan. They really have a cause for complaining about their fate. Those Japanese became hostages of Moscow's hostility towards Tokyo. It was only in May 1990 that the Japanese residing on the territory of the USSR were allowed to visit their homeland in groups.

Within a day of the Russian delegation returning home, another group from Russia arrived in Hokkaido. For one

On October 19, 1956, Nikolai Bulganin, Chairman of the USSR Council of Ministers, and Prime Minister Ichiro Hatoyama of Japan signed a joint declaration in accordance with which the islands of Habomai and Shikotan were to be handed over to Japan



President Boris Yeltsin and Prime Minister Kiichi Miyazawa stand a real chance of signing a peace treaty in Tokyo this September

Japanese woman the occasion came too late. Hanayo Nemoto, 83, died the moment she set foot on her native land. The emotions which she had been overcome by were too strong for her to bear.

Nevertheless, the atmosphere of the get-together of the former and present residents of the northern territories was cheerful.

The exiles treated their guests to tea and fruit cakes, gave them gifts and even embraced them in parting. None of the hosts seemed to bear ill-will towards the guests. None wanted the new settlers to share the Japanese exiles' fate: "The tragedy of 1946–49 should not be repeated".

This slogan proved to the Russian guests' liking. They repeated it every time Japanese journalists asked them about the future of the islands:

"There are no less Russian graves than Japanese ones on the islands now. A third generation of Russians live there now. They just cannot be driven away from those islands which are their home now."

The Russian guests left Hokkaido taking a few million yens' worth of humanitarian aid with them. They liked the trip very much. Another group like that will go to Japan later this year. Suddenly, living on the Kurils has become an advantage.

The Japanese government and the governor of Hokkaido, who pay their Russian guests travelling expenses with Japanese taxpayers' money, are certain, of course, that this way they will help settle the territorial dispute with Russia, and convince the Russians that the islands should, by right, belong to Japan.

Those on the other side of the Sea of Okhotsk, however, take a different view: we are for Russian-Japanese friendship, they imply, but we'd rather keep the islands.

When Hokkaido authorities supply food to people who have settled on the islands which do no belong to them, this is taken for granted. Demands are made that the Japanese government should give substantial financial assistance to the country which refuses to give up looted property. What's more, indignation is voiced over Tokyo "attaching political strings" to this assistance.

Anyone is ready to go to Japan, especially at somebody else's expense. All are expecting assistance, investments and benefits from it, and offer partnerships for joint ventures. But nobody is going to give the islands back.

Tokyo has found no Anwar Sadat of its own

The Japanese government missed its chance when it failed to reach agreement with Nikita Khrushchev and Leonid Brezhnev on the return of the islands which, before 1985, could have been done rather painlessly. Some of our strategists still think it a shame that Port Arthur, for instance, was given away to the Chinese, but no street demonstrations are held, and the Democrats are not accused of selling the country out, in this way.

Tokyo was naive enough to believe that justice would prevail sooner or later, that all it took was patience and pressure on Moscow in the form of refusing it credits. This stand reflected passiveness and inability to make bold and unorthodox moves, characteristic of the post-war Japanese government.

A settlement on the territorial dispute was blocked by the obligatory practice of reaching a consensus by the whole spectrum of political opinion before making any important international move.

It will be recalling that Nikita Khrushchev admitted, in 1956, that there was a lot of logic in the case made by Tokyo's envoys for Shikotan and Habomai archipelago being returned to Japan.

In the early seventies, Leonid Brezhnev, carried away by the sweeping plans to transform Siberia and the Far East and, at the same time, concerned about confrontation with China which threatened to explode into an armed conflict, was clearly prepared to strike a mutually profitable deal with Japan.

In Tokyo, however, there was no man like the Egyptian President Anwar Sadat who had flown to Jerusalem, to his sworn enemies, so as to retrieve the Sinai Peninsula and make peace.

The Japanese government failed to work out an active and flexible policy toward the USSR, and therefore did not react to the development of events fast enough.

After 1985, Tokyo staked its hopes on Gorbachev. Minister Shevardnadze did what minister Gromyko had refused to do for forty years – he recognized the existence of the territorial problem. However, neither Gorbachev, nor Shevardnadze could, and wanted, to make the next move – to relinquish the islands.

They went by an unwritten dogma of

All Northern Hokkaido is bristling with posters like this. Getting the islands back has become a national goal. The Northern Territories Day is observed in Japan every February 7. Special manuals have been compiled for secondary schools telling the story of the Soviet Union seizing the four islands

Soviet foreign policy in accordance with which Japan, a non-nuclear power without a large army, and under a strong influence of Washington, was a third-rate state not to be reckoned with. This concept had formed under Andrei Gromyko whose dislike for Japan had something personal about it, in my opinion

Some people in Tokyo have retained their faith in Gorbachev to this day. Last April, the Japanese received him not as an ex-President but as a statesman who may return to office yet.

It's a matter of justice, not islands

The Japanese government took too long to give Boris Yeltsin his due, and was not in a hurry at first to demonstrate support for the new Russian government.

Japan's logically explicable refusal to take a hand in the large-scale projects of financial aid to Russia ("How can we give money to the country which occupies a part of our territory?) caused, nevertheless, a marked anti-Japanese feeling in our country.

Judging by everything, Tokyo has come to realize this spring that if no solution is found to the Kurils problem during Yeltsin's visit to Japan this September, another chance may never present itself. The Moscow leaders are still preoccupied with their relations with the United States and European powers. Preparations for the visit offer the only opportunity to call the attention of the President and his entourage to the Japanese problems.

Michio Watanabe, Japan's Minister for Foreign Affairs, took the initiative. Combining his post with that of Deputy Premier, he can afford a more independent position than his predecessors took.

Watanabe's aides can barely disguise their shock at the way their chief talks with journalists: instead of using streamlined diplomatic formulas, the Minister is quite outspoken sometimes.

Michio Watanabe makes no secret of the fact that actually the Kuril issue can wait.

What Japan wants Moscow to do, first and foremost, is admit that Stalin was wrong and that the South Kurils are Japanese. This reflects, to a certain extent, the way Japanese society feels: it wants justice to be restored.

The islands are of no great practical value either for Russia or for Japan. The former has never made good use of them, and the latter can find much better investments for its capital.

At the Slavic Research Centre of Hokkaido University, I had a talk with Professor Shugo Minagawa, its Director, and Professor Takayuki Ito, who told me that Japanese big business was not too eager to get the islands back as soon as possible because their reversion would call for new financial sacrifices.

Last year, Japan shouldered part of the Gulf war burden. A special tax was introduced as a result. The Japanese fear lest the return of the northern territories should incur new expenses on their development and on aid to Russia – and new taxes, accordingly.

At the same time, it is perfectly clear that the territorial problem is of enormous moral importance for Japan and Russia alike.

New Russia has a chance to end almost a century of quarrels, conflicts and war with Japan. All the more so that our Far Eastern neighbour is also prepared to put its relations with democratic Russia on a new footing.

We must make the most of Minister Watanabe's firm intention to make the Japanese people's dream come true and, at the same time, to crown his career with reaching an agreement with Moscow. He came to Moscow early this spring in the hope of having a talk with Yeltsin, but the President had mysteriously disappeared giving rise to all sorts of rumours.

The Minister did not take offence, he revisited Moscow later and promised to come again so as to complete preparations for Yeltsin's trip to Japan this September.

Can the Supreme Soviet be bypassed?

Watanabe has come up with a suggestion which indicates a change in Japan's previous position: live up to the promise you gave in 1956, i.e., return two islands – Habomai and Shikotan, and admit that the other two islands, Kunashir and Iturup, should belong to Japan.

What looks like a nuance in Russia is taken in Japan as a major change in government policy. Previously, Tokyo demanded all the four islands back at once.

Obviously, the Supreme Soviet of Russia – let alone the Congress – will emphatically vote against the handover of the islands. The Kremlin realizes that by submitting such a bill to Parliament it would render an invaluable service to the opposition which would use it as proof of the Yeltsin administration selling the country out.

It is all very well for the nationalist politicians, who are all but ready to fight with the Ukraine over Sevastopol, to speculate on the problem of the four South Kuril islands. They thrive on fits of mass hysteria which occur in our society here and there, and on our people's ignorance about the background of that territorial issue.

Some are convinced that the islands have always belonged to Russia. Others believe that the islands are a forfeit Japan has paid for its early-20th-century aggressive policy. Still others maintain that "what our ancestors have conquered should be augmented, as Stalin did, instead of being squandered".

Watanabe's new formula makes it possible to bypass the Supreme Soviet: the two islands will be handed over in accordance

with the 1956 declaration ratified in its time. A statement on the historical belonging of the islands needs no confirmation by the country's supreme legislative body.

What does Boris Yeltsin have to say on that score?

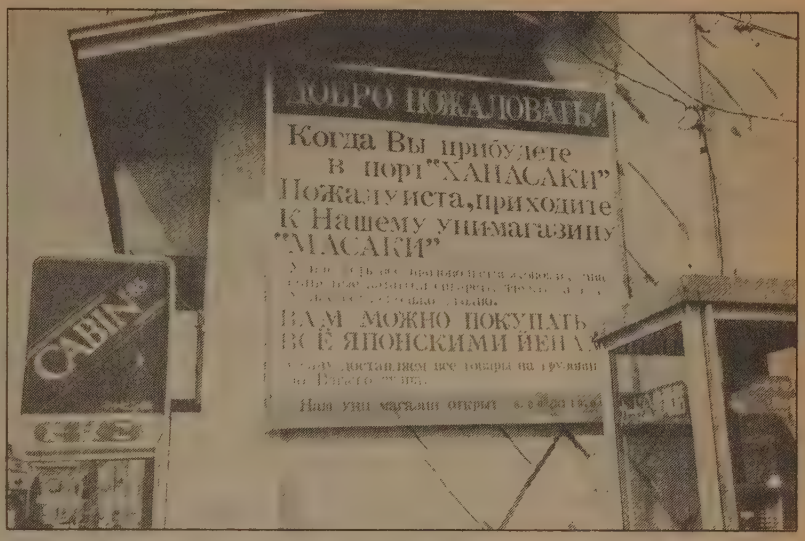
Time works against Japan

Yeltsin first visited Japan as the leader of the opposition in which capacity he, of course, knew better than anyone else how to lick even the toughest problems. Yeltsin suggested then a complicated five-stage way of settling the territorial issue which could be taken as an indication of his readiness to return the islands in the long run.

He did not specify, though, the rate at which the climb up that steep ladder was to proceed: if the final solution is put off for another thirty or forty years, then it is safe to predict that the Japanese will never get the islands back. Indeed, the Russian population of the South Kurils is well into its third generation, and each new decade will gradually rule out the possibility of bringing back the past.

The future of the residents of the islands are left hanging in the air: no one can tell them for sure whether the islands will be given back to the Japanese or not. Most of the inhabitants came for a quick ruble and did not intend to stay long but then got used to big money and settled down. Some kept their apartments on the mainland to have a place to go back to, just in case.

Today those coming from other than the Russian Federation can no longer keep their apartments at home waiting for them: they are supposed either to come back, or to stay in Russia for good. Many would like to stay on the islands, but what will become of them if the islands revert to Japan?



Russian and Japanese businessmen understand one another pretty well today

Many young people are not worried about that prospect at all. Some go-getting individuals even move from the mainland to the islands and buy local residence permits at any price in the hope of waking up in Japan one fine morning. For older people, however, they'd rather die than put up with "Jap rule." This is a psychological barrier.

Presumably, many will envy the residents of the South Kurils yet. Tokyo promises that if the islands are handed over to it, each of their present residents will be offered a choice of either moving to Russia upon receiving from the Japanese government a large enough compensation in hard currency to buy a house or an apartment and to make a fresh start; or staying and trying to work alongside the Japanese.

Since the government in Tokyo is extremely sensitive about world public opinion, it will presumably fuss over the Russians.

When in Moscow in 1973 Prime Minister Kakuei Tanaka won Leonid Brezhnev's favour. Yet one more step was needed to solve the territorial dispute

Is the President prepared to take risks?

The four-island issue has reached the critical point. Hanging onto them – let alone doing this "for the sake of historical justice" – is incompatible with the policy pursued by the Yeltsin administration.

Many people in the President's entourage realize this full well. I mean, above all, the diplomats led by the young Foreign Minister Andrei Kozyrev and his deputy Georgy Kunadze, a professional expert on Japan, who believe that international law is to be strictly abided by. In the "northern territories" issue international law is on Japan's side.

Yeltsin's aides cannot but reckon with the fact, however, that those who think so are in a minority.

While negotiating the issue with the President and Minister Kozyrev, Minister Watanabe tried to find out what impression his suggestion had made on the Kremlin, and what the President of Russia is going to do about it. The President probably hasn't made up his mind yet.

Is President Yeltsin prepared to use all his political weight to settle the dispute of forty years standing?

Russia's first President is jealous of Gorbachev's world renown and would like to go down in history as a statesman who, among other things, reconciled the two countries. But he is in for new clashes inside the country when the fate of the nation is at stake.

Can he afford to spend his political capital so generously on the solution of a less important problem?

By his symbolic speech in Fulton – where Winston Churchill had outlawed Soviet communism in 1946 – Mikhail Gorbachev intended to "wrap up" the history of the cold war.

Boris Yeltsin can do this much better by signing a peace treaty with Japan this September – exactly 47 years after the end of WW II. Before that, however, the "northern territories" issue will have to be settled.

Leonid Mlechin

Hunting down a compatriot

The first North Korean asks for political asylum in Russia. North Korean security agents are hell-bent on getting the "traitor" back, dead or alive

Shortly before his 80th birth anniversary on April 15, Kim Il Sung said in an interview to *The Washington Times* that North Korean socialism centres on man, that the North Koreans wholeheartedly enjoy genuine socialist freedoms and rights and are afforded full protection and guarantees by the state for independent, creative and happy lives. Thinking a little, the "great leader" added, "Those who try to use the human rights question for undermining the socialist system in North Korea are naive to the point of absurdity. It is like trying to break a rock with an egg."

Last October, North Korean postgraduate Kim Mung Se, 31, had made up his mind not to return home after studying for over four years at the physics faculty of Moscow University. But how to carry out this intention – to ask for political asylum in South Korea? In that case Kim Mung Se would never see his father, a retired colonel of the People's Army, his mother, wife and one-and-a-half-year-old son.

Kim's plan goes awry

Kim Mung Se remembered well the sad fate of the relatives of a North Korean judo wrestler, who asked for political asylum in Spain after the international competitions in 1991. His parents, already pensioners, were sent to prison.

It seemed less dangerous to apply to the Russian authorities. In North Korea, Russia is thought of as "a country in which socialism has suffered a defeat," but which has not yet become "a puppet of American imperialism." For this reason the relatives of North Koreans wishing to acquire Russian citizenship are usually sent only to "a corrective labour camp."

Kim Mung Se considered his decision for a long time. He decided to hide in the flat of his Russian friends among students and eventually become "a missing person." In his opinion, his relatives would then be saved from arrest, though they would be subjected to repressions, of course. According to the law, the search for "a missing person" by North Korean secret services ends in two years' time. Kim thought that he would leave his refuge in the flat and disappear in the vast expanses of Russia.

Such cases happened, especially among the 15,000 North Koreans who are working on the territory of the Commonwealth of Independent States, mainly at timber logging sites in the Khabarovsk Region, under an intergovernment agreement concluded between Moscow and Pyongyang in 1967. Koreans are held almost as slaves. They are put into special zones protected by Korean security agents. Their passports are taken away on arrival in the zone. If a North Korean worker wants to receive his passport and leave the zone, he must write an application and get it signed by three "trusted persons." Many run away in the hope of staying in Russia. But as a rule, Moscow extradites them to Pyongyang. Korean workers found an original way out: they commit a crime, even a murder at times, and are sentenced to imprisonment. In this circumstance North Korean security agents are unable to catch them.

Kim's plan was not fated to be realized.

At first, everything proceeded according to his plan. One day in October 1991, Kim went out of the students' dormitory never to return there. As prescribed by the rules, in the evening of the same day Kim's "chief" from among North Korean students phoned to the North Korean embassy in Moscow to report that postgraduate Kim Mung Se was absent at the traditional evening "roll-call." An intensive search for the "missing" postgraduate began.

For half a year, Kim was able to cover up his tracks. Nevertheless, he underestimated the abilities of the North Korean secret police. Kim was detected as soon as he got acquainted with South Korean Baptist pastor Li Chol Soo, who stayed in Moscow on a charity mission (he opened a church for invalids in the Chertanovo district of the capital).

On May 5, 1992, the fugitive decided to visit the pastor, who rents a flat in the Ozernaya Street of the Chertanovo district, but at the very entrance North Korean agents pounced on him. They pinioned Kim and dragged him to the car.

Sources in the Korean community revealed that early in April, North Korea's public security service had been authorized to arrest and deport six persons from Russia. It was stated in the instructions that under extreme circumstances four of them were to be put to death.

But Kim had good luck. The old women, who were peacefully chatting on a bench near the entrance, raised a clamour. The Korean security agents paused for a mo-

Drawing from the book "Human Rights in North Korea"

The block of flats No. 25 in Ozernaya Street in Moscow has become the last refuge of North Korean postgraduate Kim Mung Se. Will it save him from punishment by North Korean security men?

Photos by Vladimir Panov

ment. Kim Mung Se tore himself from their arms and ran to the pastor's flat.

The block of flats in the Ozernaya Street was besieged. The pastor refused to give up the man seeking his protection. "I will never give him over to the devil. God will never forgive me for this," Li Chol Soo replied to the ultimatum of "staff members" of the North Korean embassy. After that they began to break the door of his flat. Policemen appeared at the critical moment. This somewhat dampened the ardour of the security agents. However, they did not lift the siege of the house.

Senior Sergeant Volkov tries to soothe the fugitive: "You are out of danger while we are here." But it seems that the hardest times lie ahead. Kim Mung Se tries to hold out, but his shaking hands betray his fear. "Since the day I left the students' hostel I have constantly felt that they have been hunting after me. The special services of North Korea will not leave me alone even if I become a citizen of Russia. On May 6, I wrote a letter to President Yeltsin, asking him to grant me political asylum."

"But the North Korean authorities charge that you have committed numerous crimes."

"They accuse me of all sorts of crimes. They say that I am a swindler and stole gold in the embassy. Yesterday they alleged that I killed a man. They are trying to turn my neighbours against me. They are frightening and terrorizing me. They want to depict me as a criminal. In this case Russia, following international rules, will have to extradite me to the North Korean authorities."

"It's not clear how a man can be secretly transported without his consent."

"The special services of North Korea has rich experience in this respect. For instance, he is injected with a narcotic, or his arms and legs are broken. The local authorities are told that the man is gravely ill and needs treatment at home. Even if such explanations are not believed, the local authorities do not raise obstacles and the 'kidnapped' man is finished."

"What will be the fate of your relatives?"

"It is the most painful question for me. All of them, including my little son, will probably be sent to camps. They will be given no mercy.

"I want to devote myself to religion," Kim went on. "There is no freedom of conscience and religion in North Korea. My decision not to return home is dictated exclusively by religious considerations. If Russia does not give me the right to live freely and profess my religion, I do not know what I will do."

A puzzle for the President

The Russian President is in a difficult situation. The Kim case can become a real bomb. No wonder that correspondents of major newspapers of the world are periodically on the watch near the 16-storey block of flats in the southwest of Moscow.

Moscow is faced with the dilemma: either to grant asylum to Kim Mung Se, or agree with Pyongyang's charges that he is an ordinary criminal, and on this ground hand him over to the North Korean secret police.

Some top officials in the Russian government would evidently prefer to shift the case of the North Korean postgraduate to the South Korean embassy, that is, compel Kim Mung Se to seek asylum from Seoul. In this case Moscow would not completely mar the relations with its former "faithful ally" in the Far East.

In a conversation with policemen, North Korean diplomats said openly that an "unfavourable" outcome of the Kim case could be the last drop that would exhaust the patience of Pyongyang. Moscow should expect a demarche then, even the rupture of diplomatic relations.

The most honest and humane step on the part of Russia would perhaps be the granting of political asylum to Kim Mung Se. Moscow would then demonstrate its attitude to regimes like the North Korean one, as happened during the Iraqi aggression against Kuwait almost two years ago. It would confirm the position which the Russian Foreign Ministry adopted after some hesitation at a session of the UN Commission on Human Rights in Geneva.

Alexander Chudodeyev

Yaroslav Trofimov, 24, the New York correspondent of the British weekly *European,* speaks and writes in English since his childhood. His parents – employees of international organizations who spent 20 years abroad – had an opportunity to give their son primary and secondary education in foreign schools. They return to Kiev when it was time for Yaroslav to enter a college.

Yaroslav successfully passed entrance examinations to the Kiev Institute of National Economy. However, a year later he was enrolled in the army. On serving in the army he continued his studies at the institute and began to contribute articles to local newspapers. But it seems that work for the Soviet press did not inspire him very much. Some time later Yaroslav began to obtain information for a number of British and American periodicals.

Soon after that he began to write himself. His articles about Nagorny Karabakh, the Dniester Republic and other hot spots appeared on the front pages of newspapers. He won in a competition with foreign colleagues and was soon invited to the weekly *European* in London, which sent him as its correspondent to New York. Yaroslav writes now about the election campaign in the United States, American Indians, UN affairs, and naturalized Ukrainians.

Yaroslav considers himself a genuine Ukrainian and is impatiently waiting when he will receive a Ukrainian passport. He supports Kiev's present course for the achievement of complete independence. Yaroslav intends to return home two or three years later and establish his own newspaper. In his opinion it will be a source of full and unbiassed information about the new Ukraine. He says that original and independent periodicals have already been founded in Russia while Ukraine does not have such newspapers and magazines.

* * *

Yuri Savelyev, 23, came to the *New Times* office immediately after he had been released from the Butyrka prison. Together with other inmates he took part in an indefinite hunger strike to draw the attention of Russian parliamentarians to the desperate situation in the Russian legal system. In the Moscow investigation isolation wards alone thousands of people, the investigation of whose cases has been completed, languish in imprisonment pending trial. According to statistics, many of them are recognized as not guilty and it appears that they have served their terms.

Savelyev spent exactly two years behind bars. He was arrested in April 1990. The investigation had been completed by that time. However, only a year later the Timiryazevsky district court of Moscow sentenced him to a six-year imprisonment. Having considered

The best pizza maker

Alexander Antoniadi is General Director of the Pizza Hut franchise in Russia. In 1988, when PepsiCo and the Moscow Central Public Catering Establishment began negotiations on organizing joint ventures, Antoniadi worked as director of one of Moscow's restaurants. From the very beginning, he participated in the project together with Olga Ignatova, who is now financial director of the Moscow Pizza Hut.

The American multinational corporation PepsiCo has had business interests in Russia since the late 1970s. Its subsidiary enterprise, Pizza Hut, entered the Russian market in 1988. In March of 1992, at the Pizza Hut Conference in Orlando, Florida (USA), the Moscow branch was named the best Pizza Hut franchise to be found in the world. Criteria upon which this judgement was based included overall revenue and quality of food and services.

The objective of the establishment of Pizza Hut restaurants in Moscow was to provide the average Muscovite family with quality fast food. Soviet public catering establishment could not and still cannot compete with the high standards of the US food industry. With the city's population exceeding 9 million people, Moscow Pizza Hut and McDonald's cannot possibly serve all eager Muscovites. Although the actual process of eating takes a minimum of time, waiting in the long line is a tiresome exercise. The expected outcome of such a situation would be growth and expansion of the popular enterprise, but the Russian economic environment has placed a heavy tax burden on the shoulders of such healthy initiative.

Alexander Antoniadi told our correspondent about Pizza Hut's present experiences. Pizza Hut expects in Moscow branch to offer the same quality and standards as all other Pizza Huts. For example, Mozarella cheese is a critical ingredient for producing traditional pizzas. This must be imported from Luxembourg and England. Thus, the cost of inputs takes up to 70 percent of all dollar revenues. But what really disturbs Alexander Antoniadi is the 28 percent VAT (value added tax) from Pizza Hut's dollar sales. VAT is essentially paid for through ruble revenues, decreasing to zero its reinvestment possibilities. Another solution, this totally unacceptable, would be to conceal revenues. Antoniadi believes that many companies less concerned with reputation might choose this route. The recently imposed tax could prove fatal to the Russian economy; it will not only lessen government revenues as national output decreases, but could also create a new Cosa Nostra. Pizza Hut has not as yet met with any troubles from competitors infringing upon its share of the market, and sees its traditional rival McDonald's more as a partner in this environment.

his appeal, the Moscow City court invalidated the sentence and appointed a new court date. This was in September 1991. Since then repeated attempts to hold a court session have failed. Despite the lawyer's request to change the punishment measure Yuri was kept in the investigation isolation ward. Only on April 16, when another attempt to convene the court failed, Yuri was relased with a strange decision: "in connection with the fact that the case has assumed a protracted character."

After imprisonment Yuri had a serious skin disease and heart troubles. He must have long treatment and possibly a blood transfusion. According to him, no one is released healthy from investigation isolation wards. The cells are overcrowded. The ward in which Savelyev was kept in the last few months is intended for 30 persons. However, 40 to 50 people were constantly kept in it. They slept in turns.

Medical care is reduced to visits by a doctor twice a week. He gives everyone two tablets – one against chills and the other for headaches. If anyone complains of his health, the doctor replies: "I won't let you die. If you fall ill seriously, we'll take you to a hospital."

Yuri Savelyev has given a written promise not to leave his residence pending a trial, if a trial is held at all, because his case is disintegrating. However, we don't have the heart to say that he's lucky.

* * *

Galina Ryzhikova, 27, a pianist of the St.Petersburg Opera and Ballet Theatre, arrived in South Africa two months ago. She accompanied conservatory student Tamara Belyaeva at an international cellist competition in Pretoria. Tamara became a prize winner of the competition while Galina was invited to work at the Pretoria theatre.

A contract was signed, and Galina went home to receive the

"blessing" of her parents. On returning to Pretoria, she fit in well with the company of South American musicians. She already has her own admirers who come to the theatre with the express purpose of listening to the playing of Ryzhikova.

In all, eight musicians from Moscow, St.Petersburg and other cities of the CIS are working in Pretoria.

* * *

Peter Fries has initiated and organized students' humanitarian help action for Russia. Peter, a student of the European Business School (Schloss Reichartshausen), the oldest private business school in Germany, is now in Moscow, working for the International University. He came here in December 1991 with a first shipment of donations for needy people in the CIS. In

winter 1990-91, he was responsible for collecting and stocking of private goods donations. 115 tons of food, medicines and clothing were collected and shipped to a hospital in Kiev. Then the programme was extended and 25 universities worldwide were cooperating, while the headquarter stayed in the European Business School. Two students were flown to Russia to visit hospitals which were in desperate need for foreign support. List of necessary goods were worked out. This year more than 100 tons of high quality food and medical equipment were shipped to Russia. The donations were distributed among hospitals in the Barnaul Region and various medical institutions in Moscow. The overall worth of them has exceeded two million dollars.

The school programme, Peter says, was performed by about 40 enthusiastic students, who worked 12 hours a day without expecting any kind of remuneration. We want to express, Peter stresses, our deep gratitude to many supporters and donators, of which we would like to commend a few companies for their especially valuable contribution to the programme: Lufthansa, Mars, Hertie, television channel PRO 7, Stollwerck, Procter & Gamble. The greatest donation came from General Electric, which provided the ultrasoundmachines and a computer tomograph of 700 thousand dollars worth. Our partner organization for distribution in Russia is the Lions Club Moscow Renaissance.

Advantageous business

Juan Mederos, 21, from the Canary Islands, was recently in Moscow at the invitation of the *New Times* Publishing House. He is director of a Combustibles Juan Mederos, S.L., which sells fuel for sea-going ships and conducts trade with fishing boats. The port of La Luz, where the company of Mr Mederos is situated, provides half of the fishing fleet of Russia with all the necessary things.

Juan Mederos arrived in Russia not only on behalf of its company. He was authorized by the Trade Chamber and the Association of Fruit Exporters of the Canary Islands to explore the possibilities of cooperation with Russia, its business circles. Mr Mederos met with many Russian businessmen and signed preliminary agreements on a whole range of questions. A preliminary agreement was reached with one of the exchanges on the supply of oil. Combustibles Juan Mederos, S.L. will buy tankers in Russia. Contacts are being established with tourist agencies for the exhange of tourists. A preliminary agreement was also reached on the supply of food, fruit and used cars to Russia.

"This is precisely the time when business with Russia is advantageous and has good prospects," Juan Mederos said.

A dog's life: start and finish

Peoples of the North haven't given up their traditions and still like to ride on dogsleds. At least at competitions

For the leader of the dog team, the experienced sled dog Chiaro, the race was over almost before it had begun. The sled turned over and the dog had to drop out of the race as it had seriously hurt one of its paws. It had to be taken by plane to the finish which was 2,000 kilometres away in Esso, a distant Kamchatkan resort village where it was already quite warm: only 20 degrees Centigrade below zero because hot springs gush out constantly there.

In Alaska dogs are more expensive

Just two or three years ago the Chukchi and Kamchatkan sled dogs were something like bothersome relatives for the Chukchis and Koryaks: it was a pity to turn them out and a burden to feed them. However, more and more often now Europeans are appearing in the northern camps of the nomads and for a bottle of vodka or sometimes just a glass of beer they acquire a lively fluffy pup which they will take somewhere in Central Russia and open a kennel for sled dogs. But Chukotka (the Chukchi peninsula) has become poor and need has forced the people there to return to ancient and wrongly forgotten trades, like breeding sled dogs.

Meanwhile, in Alaska a well-trained sled dog goes for 10,000 dollars. The famous Alaskan huskies – dogs with blue eyes and a black mask on their faces – are direct descendents of the Kamchatkan and Chukotkan sled dogs which were taken to Alaska at the beginning of the century. When the Soviet government came to power their export ceased: there was practically nothing to export. The new government, bent on industrializing Chukotka and Kamchatka, made dogs illegal and took away all rights they enjoyed as the villagers' right-hands without whom all life in the region stopped in the direct and figurative meaning.

It has now become clear that gold mining is not profitable in the Far North, and in the phantom cities built there the people only eat and drink, not giving the country anything. The government has stopped financing them. The northerners have had to find a means to support themselves. That is how the Beringia project, the longest dogsled race in the world, came about.

True, at first the course was only 250 kilometres long, from Esso to Milkovo. The first races were held three years ago. At that time only 15 dogsleds took part at the initiative of the magazine *Northern Expanses* and were sponsored by the All-Union Fund of the Peoples of the Far North, Siberia and the Far East. The wave of enthusiasm with which the race was met in the villages of Chukotka and Kamchatka caused the organizers to think seriously: maybe the Beringia could become the mainspring and stimulus for a national rebirth, for new and better conditions of life in the North? The second Beringia already was for a distance of 1,980 kilometres between the two peninsulas, Kamchatka and Chukotka.

Forgotten by God, the world and the Soviet government, the northern peoples, who live by hunting and fishing, can watch only one TV programme and eternally squabble in lines for housing, nurseries and goods in short supply, met the dogsled races – which were like a breath of fresh air – with singing and dancing. They remembered old customs, festivities, folk songs, and got out national clothes.

The sled dogs barked at "The Way to Communism" road-sign

Actually the dogs understand the drivers, *kayurs,* almost without a word: after some gutteral sound or wheeze they obediently rush to the right or left, sometimes stopping or taking off from the same "command." But it seems they understand a lot more than the shouts.

One time we – the young scholar Oleg Shiroky and I – were waiting at night on a small stream for when the last sled would appear. The silence in Chukotka is unreal: there is no rustling of tress, noise of cars or peoples' voices. It is absolute. Due to this pining and great expectations I fired a red rocket into the air. At once dogs could be heard barking – the dog team had seen it and were happy that they were nearing the finish.

There was another instance too. The race lay through a state farm with the wonderful name "The Way to Communism" in the village of Vaegi. It stuck in our memories because the director demanded 200 rubles from each person for a cot in the dorm. Therefore, arrangements were immediately made for the participants in the race to be put up in private homes and some spent the night in the village community centre. "The Way to Communism" didn't get a cent: the stingy pay double. But the dogs expressed their opinion of the state farm much more emotionally than the people. The black board "The Way to Communism" scared one of the dog teams so that it stopped dead to the amusement of those around...

The draught dogs turned out to be purebred

The famous annual dogsled race Iditarod in Alaska is still called The Last Great Race. It is 1,766 kilometres long. The Beringia-92 was 2,044 kilometres long and went down in the Guinness Book of Records... A certificate was received for the previous year race too. In spite of the fact that the race was 66 kilometres longer, the dog team of Vladimir Radivilov, the leader in the race, the very one who lost Chiaro at the start, ran it 50 hours faster than the champion team of Pavel Lazarev did the year before.

The specialists in dog breeding, Boris and Oleg Shiroky and Nikolai Nosov, saw to it that the Beringia race officially reestablished the status of the Kamchatka and

Chukotka sled dogs. The revival of the unique northern dogs began, and the world got a new breed, which has finally been registered.

After all, the three Beringia races might not have come off at all. The government didn't give any financial support for them. Last year Alexander Pechen, the director of the small private Bering company in Kamchatka saved the race by getting large (for those days) sums out of the directors of Glavalmazzoloto and the Kamchatpromokhota associations. Some organizations decided to make donations for the revival of the Kamchatka sled race tradition. This year the head of the Russian Fund of the Peoples of the Far North, Siberia and the Far East, Andrei Kolodyazhny took the financing of the Beringia race upon himself. What about next year? We'll have to wait and see.

The main thing is the interest that has arisen in these unusual competitions. In Anadyr, participants in the Alaskan Iditarod and the Soviet-American race Nadezhda came to me and signed up for the next Beringia. The marshal of the Iditarod Mr.Morris accompanied by two other Americans came. People phoned from Finland asking to participate... The residents of Markovo called and wanted to know when the next Beringia would be. People called to ask for pups of the leaders of the dog teams. Drivers of the Buran cross-country vehicles which cleaned the course came: they wanted to work for us again next year. It was as if the Beringia started after it was over...

By the way, during the Beringia race there was an incident.

Having gone 60 kilometres from the Kamchatka village Slautnoye to Chukotka, the Buran drivers decided to rest for a bit. Eduard Gunchenko, a guide both in last year's and this year's race, half jokingly said: "Don't sit too long or the dog teams will overtake you." In answer one of the drivers sitting by the fire, Slava Gorbunov, a loud-voiced hunter who knew the tundra, only laughed and promised to shoot himself if the dog teams caught up with his machine.

A few seconds later the dogs could be heard barking. All tensed, someone said it must be some hunter wandering nearby. The "wanderer" turned out to be Vladimir Radivilov, the leader in the race. The concerned friends of Gorbunov had to quickly hide his gun so that the defeated and disgraced hunter wouldn't carry out his vow... And for some reason all at once began to remember how much gasoline costs these days and that the dogs feed themselves in the summer and in the winter dried fish is enough for them.

For many people of the North the Beringia has become not only a holiday but a means of earning a living – preparing the course, doing the advertisement, and much other work without which the dog teams wouldn't make it to the finish. And they made it quite well. True, at the very beginning of the race a young dog died of a heart attack. The dogs were taken out of the race if the veterinarians noticed that they were too tired or their paws in too bad shape.

Again this summer, at the initiative of the officials in Chukotka, a Summer Beringia will be held – a sailing and rowing race in Chukchi-Eskimo kayaks from Uelen to Wales in Alaska. But in the winter the leader, Chiaro, will again lead the sled dog team...

Dmitry Ledovsky,
co-chairman of the Organizing Committee
of Beringia-92

Ladies and gentlemen,

The joint-stock tourist enterprise TROIKA
invites you for a trip
to one of nature's unique sites,
the Baikal Lake.

The Baikal Lake is not only our turbulent country's most beautiful, but also most secure region.

Welcome to the Baikal!

Our address: Irkutsk, 664000, POB 3219
Phone: (395-2) 46-44-85, (395-2) 46-46-73

Car racing king to be the King of Georgia?

Prince **Jorge Bagration de Mukhrani** is interviewed by *New Times* correspondent in Madrid **Sergei Muravyov**

In 1801, the last Georgian monarch, Georgy XII, voluntarily signed a treaty uniting Georgia and Russia, since he believed the security of his country in the stormy epoch of expansionist wars could only be guaranteed under the wing of the two-headed eagle of the Russian Empire. Georgy XII died soon after that in St. Petersburg, carrying the last Georgian crown with him. Who would have thought then that there would be a discussion on restoring the monarchy in Georgia 190 years later.

A while ago the chairman of the National Democratic Party of Georgia, Gia Chanturia, and chairman of the National Monarchist Party, Timur Zhorzholiani, specially came to Spain in order to try to persuade Prince Jorge and his family to return to Tbilisi. And once there, it would be decided who of the Bagrations would occupy the throne.

New Times. Do you feel yourself more a Spaniard or a Georgian?

Jorge Bagration de Mukhrani. I was raised as a Georgian. They strove to instil in me the feeling of responsibility and duty that goes with the name Bagration. Therefore I always considered Georgia my only real homeland, though I must admit I could never tear the love and gratitude I feel for Spain from my heart. Spain took us in and helped us endure the harsh punishment of exile.

N.T. The Spanish press referring to a statement made by Zhorzholiani asserts that he brought a message from the patriarch Ilia II for King Juan Carlos I and for you, in which there is talk of restoration of the monarchy in Georgia.

G.B.M. It is my moral duty for the good of Georgia and in defence of the name which I have the honour of bearing, to publicly denounce Zhorzholiani and Chanturia for their shameful conduct in Spain which did damage to my family and myself and also to the political prestige of Georgia and the institution of monarchy as a whole. I met briefly with Zhorzholiani (Chanturia evidently felt it beneath him to become acquainted with me personally) who tried every way of getting my family and me to go to Georgia. I personally didn't see any written document, and they didn't meet with anyone high up in Spain like they said. Acting on behalf of the Georgian people, other political forces and the provisional government, Zhorzholiani and Chanturia began offering the throne the legal heir of which I am, to all members of the family and inviting them to take part in carrying out their plans even before they left Moscow for Madrid.

N.T. Did they get anywhere?

G.B.M. None of the Bagrations agreed. Not only because of the insults, but mainly because it was clear that these people only had selfish goals on the eve of the elections in Georgia.

N.T. What do you think the main task of a monarchy is?

G.B.M. If the country ever decides to return to monarchy, its main task will be to guarantee democratic freeedom to all legitimate political parties, to uphold human rights and achieve a stable society. A good model for imitation is the Spanish monarchy which is personified by His Majesty King Juan Carlos I.

N.T. Do you think in today's situation one can seriously talk about restoration of the monarchy in Georgia?

G.B.M. That could only be if there is a consensus of the majority of political forces represented in a government which has been formed in a legal manner, i.e. through elections, and which expresses the people's will. As for having a monarchy, I'm convinced more than ever today that it should not only be looked on as something desirable, but perhaps even necessary to prevent any sort of adventurists from implementing their goals. But, of course, there are other problems much more pressing for the Georgian people, that must be solved first.

Jorge Bagration de Mukhrani was born in Rome in 1944. His father was Prince Irakly. His mother was Countess Maria Antonietta Pasquini. She died right after giving birth. His father took the child to Paris and baptised him in an Orthodox Georgian church. Then the family moved to Spain. In 1946 Prince Irakly married the infanta Mercedes de Baviera y Borbon, who gave birth to Jorge's half sister Miriam and half brother Bagrat. It is this side of the family that is related to the Spanish royal family.

In Spain, Jorge Bagration's aunt Leonida, his father's younger sister, became acquainted with His Royal Highness the Great Prince of Russia, Vladimir Kirillovich. They always treated Jorge Bagration as a son. And he thinks that it is from the Great Prince that he got his love for engines and for motor racing in particular. Bagration took part in motor races three years in a row, and having got into a racing car in 1963, he won the championship in Spain in 1966. His hobby turned into a profession. He became the champion car racer of Spain twelve times.

Jorge Bagration got married in 1968. The couple has three children: Maria, Irakly – the legal heir – and David. In 1977 his father died and Jorge as the oldest son and the only one Orthodox, became the head of the royal Bagrations family. He dissolved the marriage the same year, and in 1980 got a civil and church divorce. He married again two years later. He has a son, Hugo Guram, by the second marriage. Both marriages were consecrated in Orthodox church and all the Bagrations children are of that faith.

Jorge Bagration at the entrance to his residence in Marbella
Photo EFE (Spain)

In 1989, when the deep political changes in Eastern Europe began, he decided to move from Madrid to Marbella in the south of Spain in order to expand his knowledge about Georgia in peace and quiet. He very attentively keeps track of all that is happening in his homeland. He got acquainted with the family of the Georgian champion chess player Tamaz Georgadze in Malaga, which is not far from Marbella. The chess player has begun to teach Bagration and his wife Nuria to speak Georgian. Actually he has had to quit his job, however, the Fiat company's Madrid branch management has been very benevolent and made Bagration a consultant to the firm.

The Moscow leased textile manufacturing and trade association Salute offers foreign partners mutually advantageous cooperation for the joint manufacturing of textile products.

The Association's address:
27 Sushchevskaya ul.,
Moscow, 103030.
Contact telephone: 258-29-82
Fax: 258-79-36.
Teletype: 113353 Kroi

A/O ROSSIISKY DOM

(RUSSIAN HOUSE)

INDUSTRIAL AND TRADING COMPANY

Tel.: (095) 248-07-11, (095) 244-48-26
Fax: (095) 928-17-62

A/VS